



## SOUTH GATE CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, July 27, 2021 at 6:30 p.m.

### SOUTH GATE COUNCIL CHAMBERS OR TELECONFERENCE

**DIAL-IN-NUMBER: 1 (669) 900-6833**

**MEETING ID: 834 8912 4676**

**<https://us02web.zoom.us/j/83489124676>**

#### I. Call To Order/Roll Call With Invocation & Pledge

<b>CALL TO ORDER</b>	Al Rios, Mayor
<b>INVOCATION</b>	Bishop Juan Carlos Mendez, Centro Cristiano Bet El
<b>PLEDGE OF ALLEGIANCE</b>	William Stracker, Deputy City Engineer
<b>ROLL CALL</b>	Carmen Avalos, City Clerk

#### II. City Officials

**MAYOR**

Al Rios

**CITY CLERK**

Carmen Avalos

**VICE MAYOR**

Maria del Pilar Avalos

**CITY TREASURER**

Gregory Martinez

**COUNCIL MEMBERS**

Maria Davila

Denise Diaz

**INTERIM CITY MANAGER**

Chris Jeffers

### **III. Meeting Compensation Disclosure**

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is \$650 monthly regardless of the amount of meetings.

### **IV. Proclamations, Certificates, Introductions And Ceremonial Actions**

#### **1. Presentation By Speaker Of The Assembly Anthony Rendon On Funding Appropriation Award And Ongoing Legislative Items**

The City Council will hear a presentation from Speaker of the Assembly Anthony Rendon. (CM)

Documents:

[ITEM 1 REPORT 07272021.PDF](#)

#### **2. Introduction Of New And Promotional Full-Time Employees**

The City Council will consider allowing staff to introduce the new and promotional full-time employees hired or promoted during June 2021. (ADMIN SVCS)

Documents:

[ITEM 2 REPORT 07272021.PDF](#)

### **V. Comments From The Audience**

During this time, members of the public and staff may address the City Council regarding any items within the subject matter jurisdiction of the City Council. Comments from the audience will be limited to five (5) minutes per speaker; unless authorized by the Mayor, the time limit may not be extended by utilizing another member's time. There will be no debate or action on items not listed on the agenda unless authorized by law.

Note: The City Council desires to provide all members of the public with the opportunity to address the Council. Nevertheless, obscene language, comments intended to disrupt or interfere with the progress of the meeting or slanderous comments will not be tolerated and may result in ejection and/or may constitute a violation of South Gate Municipal Code Section 1.04.110.

### **VI. Reports And Comments From City Officials**

During this time, members of the City Council will report on matters pertaining to their service on various intergovernmental boards and commissions as a representative of the City pursuant to Assembly Bill

1234. City Council Members will also have an opportunity to comment on matters not on the agenda.

Following the City Council Members, reports and comments will be heard by the City Clerk, City Treasurer, City Manager and Department Heads.

## **VII. Consent Calendar Items**

Agenda Items **3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14** are consent Calendar Items. All items including Ordinances, Resolutions and Contracts, may be approved by adoption of the Consent Calendar, individually and collectively by one (1) motion. There will be no separate discussion of these items unless Members of the City Council, the public, or staff request that specific items be removed from the Consent Calendar for separate discussion and action.

Any Motion to introduce or adopt an Ordinance on the Consent Calendar shall be: (1) a motion to waive the reading of the Ordinance and introduce the Ordinance or (2) a motion to waive the reading of the Ordinance and adopt the Ordinance, as appropriate.

### **3. Ordinance No. 2021-08-CC Amending Section 13.100 (Solid Waste Handling And Recycling Services)**

The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-08-CC to add Part 8. Recycling of Commercial Solid Waste and Organic Waste, and Sections 13.100.430 (Definitions), 13.100.440 (Commercial Solid Waste Recycling), 13.100.450 (Organic Waste Recycling), 13.100.460 (Fees) and 13.100.470 (Enforcement Provisions), to Chapter 13.100 (Solid Waste Handling and Recycling Services), of Title 13 (Franchises), of the South Gate Municipal Code. (PW)

Documents:

[ITEM 3 REPORT 07272021.PDF](#)

### **4. Resolution Amending Salary Resolution 6454 To Update Job Specification For Equipment Maintenance Superintendent**

The City Council will consider adopting a **Resolution \_\_\_\_\_** amending Resolution No. 6454 (Salary Resolution and Position Classification Plan) to update the job specification of the Equipment Maintenance Superintendent position in the Public Works Department. (ADMIN SVCS)

Documents:

## 5. Resolution Amending Budget For Fiscal Year 2021/22

The City Council will consider adopting a **Resolution** \_\_\_\_\_ amending the budget to the Fiscal Year 2021/22 Annual Action Plan to incorporate additional Community Development Block Grant funding in the amount of \$21,419. (CD)

Documents:

## 6. Amendment No. 2 To Contract No. 3410 With Parkwood Landscape, Inc. For Landscape Maintenance Services

The City Council will consider: (PW)

- a. Approving **Amendment No. 2 to Contract No. 3410** with Parkwood Landscape Maintenance, Inc., extending landscaping maintenance services through October 31, 2021, on a month-to-month basis, retroactively effective July 1, 2021, and increasing the scope of work for steam cleaning maintenance services of bus shelters, benches and sidewalks on Firestone Boulevard, Atlantic Avenue and Long Beach Boulevard, retroactively effective May 10, 2021, for an amount not-to-exceed \$91,908; and
- b. Authorizing the Mayor to execute Amendment No. 2 in a form acceptable to the City Attorney.

Documents:

## 7. Agreement With MV Cheng & Associates For Additional Staffing Services

The City Council will consider: (ADMIN SVCS)

- a. Approving a **Professional Services Agreement (Contract No. \_\_\_\_\_)** with MV Cheng & Associates for the procurement of professional financial and accounting staff on an as-needed and temporary basis through June 30, 2022, in an amount not-to-exceed \$300,000; and



b. Authorizing the Mayor to execute the Professional Services Agreement in a form acceptable to the City Attorney.

Documents:

[ITEM 7 REPORT 07272021.PDF](#)

**8. Amendment No. 3 To Contract No. 3525 With Southeast Area Animal Control For Animal Control And Sheltering Services**

The City Council will consider: (PD)

a. Approving **Amendment No. 2 to Contract No. 3525** with the Southeast Area Animal Control Authority for animal control and sheltering services, retroactively effective July 1, 2021, for an amount not to exceed \$672,617 for Fiscal Year 2021/22; and

b. Authorizing the Mayor to execute Amendment No. 2 in a form acceptable to the City Attorney.

Documents:

[ITEM 8 REPORT 07272021.PDF](#)

**9. Agreements With Telecom Law Firm For Specialize Legal Services And Consulting Services**

The City Council will consider: (CM)

a. Approving an **Agreement (Contract No. \_\_\_\_\_)** with Telecom Law Firm, P.C. to provide specialized legal services on wireless and wired telecommunication law; and

b. Approving an **Agreement (Contract No. \_\_\_\_\_)** with Telecom Law Firm, P.C. to provide wireless consulting services; and

c. Authorizing the Mayor to execute both agreements in a form acceptable to the City Attorney.

Documents:

[ITEM 9 REPORT 07272021.PDF](#)

**10. Agreement With The Ports Of Los Angeles And Long Beach To**

## **Operate And Maintain Improvements And Structures On The Railroad Rights Of Way**

The City Council will consider: (PW)

- a. Approving Master Joint Revocable Permit No. 17-07 (MJRP) which grants the City rights to operate and maintain certain improvements and structures on the right-of-way underlying the Union Pacific Railroad, which permit is issued by the ports of Los Angeles and Long Beach, through the Boards of Harbor Commissioners;
- b. Appropriating \$14,420 in Water Funds and \$7,680 Gas Tax Funds to Account No. 411-731-71-6801 to fund the MJRP permit fees; and
- c. Authorizing the Mayor to execute Master Joint Revocable Permit No. 17-07 in a form acceptable to the City Attorney.

Documents:

[ITEM 10 REPORT 07272021.PDF](#)

## **11. Change Order Nos. 3 And 4 To Contract No 2020-43-CC With Sequel Contractors For Garfield Ave, Imperial Hwy And Firestone At Otis Improvements**

The City Council will consider: (PW)

- a. Approving Contract Change Order No. 3 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements on the "Garfield Avenue, From South City Limit to Jefferson Avenue, and Imperial Highway, From West City Limit to East City Limit, City Project No. 413-ST, Federal Project No. STPL-5257(030)," in an amount not-to-exceed \$139,120;
- b. Approving Contract Change Order No. 4 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements on the "Firestone Boulevard and Otis Street Improvements and Imperial Highway Center Median, City Project No. 496-ST, Federal Project No. HSIPL- 5257(032)," in an amount not- to-exceed \$81,439;
- c. Authorizing the Assistant City Manager/Director of Public Works to execute Contract Change Order Nos. 3 and 4 to Contract No. 2020-43-CC; and

d. Authorizing the Interim Director of Administrative Services to transfer \$140,000 in Metro Measure R Funds from Account No. 311-790-31-9457 (Capital Projects Fund-Firestone/Otis Widening & Imperial Hwy Median) to Account No. 311-790-31-9433 (Capital Projects Fund-Garfield/ Imperial Street Improvements) to partially fund CCO No. 3 to Contract No. 2020-43-CC.

Documents:

[ITEM 11 REPORT 07272021.PDF](#)

**12. This Item Was Removed From The Agenda.**

**13. Annual Adoption Of The City's Annual Investment Policy**

The City Council will consider adopting the City's Annual Statement of Investment Policy. (ADMIN SVCS)

Documents:

[ITEM 13 REPORT 07272021.PDF](#)

**14. Minutes**

The City Council will consider approving the Regular and Special Meeting minutes of June 22, 2021.(CLERK)

Documents:

[ITEM 14 REPORT 07212021.PDF](#)

**VIII. Reports, Recommendations And Requests**

**15. FY 2019-20 Audited Annual Comprehensive Financial Report**

The City Council will consider receiving and filing the Fiscal Year 2019-2020 audited Annual Comprehensive Financial Report and presentation. (ADMIN SVCS)

Documents:

[ITEM 15 REPORT 07272021.PDF](#)  
[CAFR\\_2019-20.PDF](#)

**16. Proposed Music Festival With Limited Alcohol Service**

The City Council will consider: (PARKS)

- a. Approving the request by Jack Leavitt for a Music Festival Event ("Event") with limited alcohol service at South Gate Park in August/September of 2022;
- b. Directing staff, with the assistance of the City Attorney, to negotiate an agreement with the music festival producer and present the agreement to the City Council for formal approval at a future City Council Meeting; and
- c. Directing staff to prepare a Resolution to include restrictions and conditions of approval to allow limited alcohol service during the Event and present it to the City Council for adoption at a future City Council Meeting.

Documents:

[ITEM 16 REPORT 07272021.PDF](#)

### **17. Warrant Register For July 27, 2021**

The City Council will consider approving the Warrant Register for July 27, 2021: (ADMIN SVCS)

Total of Checks:	\$3,605,579.45
Voids:	\$ (4,406.88)
Total of Payroll Deductions (FY 2020/21	\$ (355,483.51)
Total of Payroll Deductions (FY 2021/22)	\$ (341,052.08)
Grand Total:	\$3,255,034.30

Cancellations: 91224, 92792

Documents:

[ITEM 17 REPORT 07272021.PDF](#)

## **IX. Adjournment**

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted July 21, 2021 at 4:22 p.m. as required by law.

Carmen Avalos, CMC

City Clerk

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office

8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk.

Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

*City of South Gate*  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: *July 27, 2021*  
Originating Department: City Manager's Office

Interim City Manager:  Interim City Manager:   
*Chris Jeffers* *Chris Jeffers*

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**SUBJECT: PRESENTATION BY SPEAKER OF THE ASSEMBLY ANTHONY RENDON**

**PURPOSE:** For Speaker of the Assembly Anthony Rendon to make a presentation before the City Council.

**RECOMMENDED ACTION:** No action required.

**BACKGROUND:** Speaker of the Assembly Anthony Rendon has requested to be provided the opportunity to present the City Council with a budget appropriation his office submitted on behalf of the City of South Gate as part of the State's FY2021-22 budget and to provide an update on the status of various ongoing legislative items.

**ATTACHMENT:** None

**RECEIVED**

JUN 14 2021

# City of South Gate

CITY COUNCIL

**Item No. 2**

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

5:50pm

## AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Administrative Services

Interim Department Director:

  
Kingsley Okereke

Interim City Manager:

  
Chris Jeffers

**SUBJECT: INTRODUCTION OF THE CITY'S NEW AND PROMOTIONAL FULL-TIME EMPLOYEES**

**PURPOSE:** To introduce to the City Council the City's new and promotional full-time employees hired or promoted during June 2021.

**RECOMMENDED ACTION:** Allow staff to introduce the new and promotional full-time employees hired or promoted during June 2021.

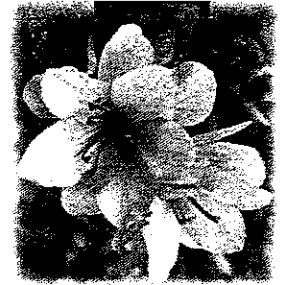
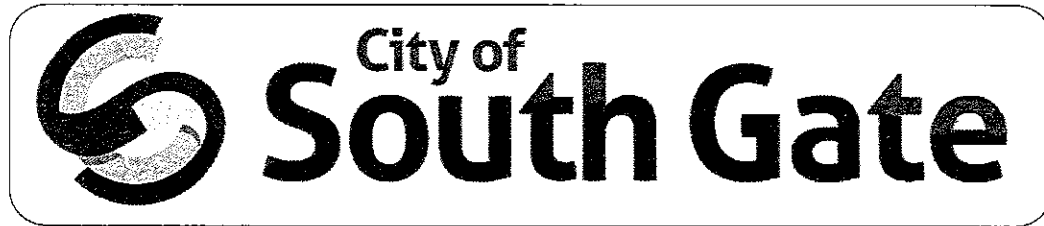
**FISCAL IMPACT:** None

**ANALYSIS:** None

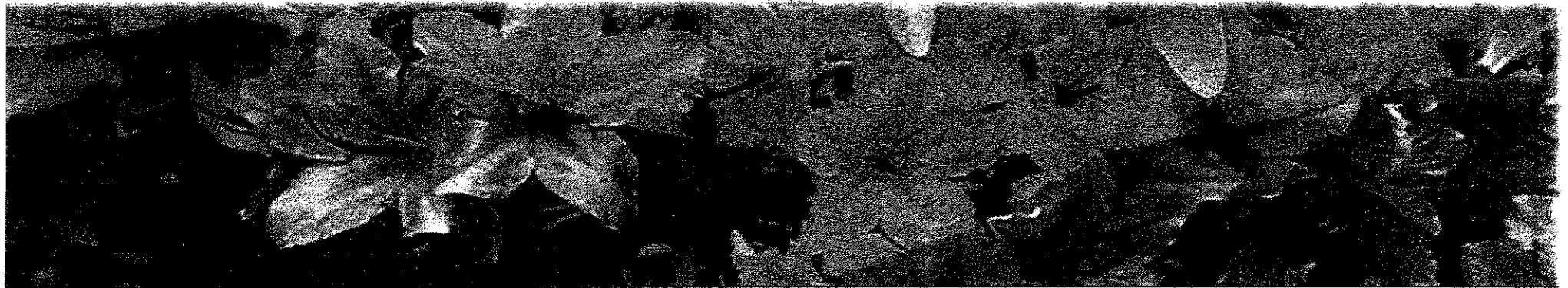
**BACKGROUND:** Following is a list of new and promotional full-time city employees who were hired or promoted during June 2021:

Employee	Title	Department	Division	Hire Date
William Stracker	Deputy City Engineer	Public Works	Engineering	06/21/21

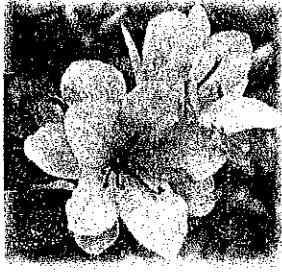
**ATTACHMENTS:** None



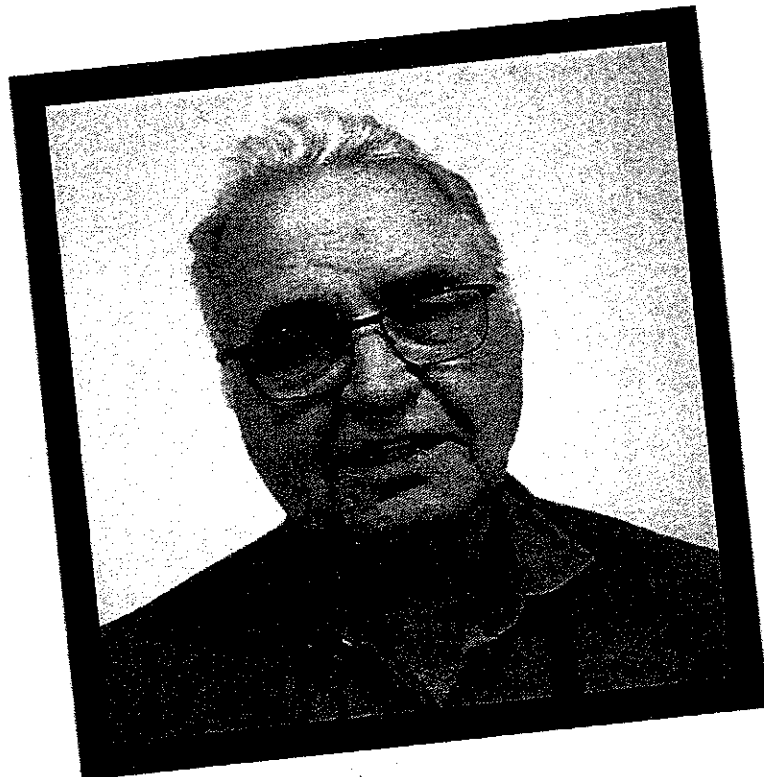
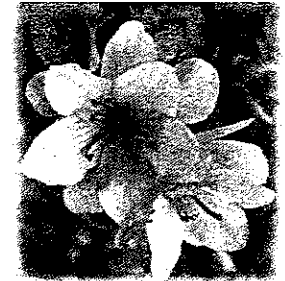
**INTRODUCTION OF THE  
CITY'S NEW & PROMOTIONAL  
FULL-TIME EMPLOYEES**







# Public Works



# William Stracker

Deputy City Engineer

Public Works

Hire Date: 6/21/21

JUL 21 2021

8:55 AM

CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: July 27, 2021

Originating Department: Public Works

Department Director:

[Signature] Arturo Cervantes

Interim City Manager:

[Signature] Chris Jeffers

SUBJECT: ORDINANCE ADDING CERTAIN SECTIONS TO CHAPTER 13.100 (SOLID WASTE HANDLING AND RECYCLING SERVICES)

PURPOSE: To adopt an Ordinance No. 2021-08-CC to codify the requirements of Assembly Bill 341 (Solid Waste: Diversion) and Assembly Bill 1826 (Solid Waste: Organics). The City Council conducted the 1st reading of the proposed Ordinance at the July 6, 2021 meeting and approved it on a 5-0 vote.

RECOMMENDED ACTIONS: The City Council will consider waiving the reading in full and adopting Ordinance No. 2021-08-CC to add Part 8. Recycling of Commercial Solid Waste and Organic Waste, and Sections 13.100.430 (Definitions), 13.100.440 (Commercial Solid Waste Recycling), 13.100.450 (Organic Waste Recycling), 13.100.460 (Fees) and 13.100.470 (Enforcement Provisions), to Chapter 13.100 (Solid Waste Handling and Recycling Services), of Title 13 (Franchises), of the South Gate Municipal Code.

NOTICING REQUIREMENTS: A public hearing notice was duly published in the Los Angeles Wave, a newspaper of general circulation, on Thursday, May 27, 2021.

FISCAL IMPACT: There is no impact to the General Fund. However, the proposed Ordinance has an enforcement structure that includes monetary penalties to be assessed on non-compliant commercial businesses and multi-family dwelling with five or more unit, including schools, hospitals, and nonprofit organizations.

ANALYSIS: Ordinance No. 2021-08-CC was introduced during the regularly scheduled City Council Meeting of July 13, 2021. The Ordinance adds "Part 8. Recycling of Commercial Solid Waste and Organic Waste" to codify the requirements of AB 314 and AB 1826 to Chapter 13.100 (Solid Waste Handling and Recycling Services) of the South Gate Municipal Code. These bills stipulate provisions for mandatory commercial solid waste recycling and mandatory commercial organic waste recycling. The summary below highlights these requirements.

- Pursuant to AB 341 a Waste Generators is defined as a business that generates four cubic yards of commercial solid waste per week, or a business that is a multi-family dwellings consisting of five or more units.
- Pursuant to AB 1826, a Waste Generator was originally defined as a business that generates four cubic yards of organic waste per week, or a multi- family dwelling units of five or more units. As of January 1, 2020, AB 1826 volume threshold was reduced to two cubic yards of organic waste per week.

- Solid Waste Recycling Program - Pursuant to AB 341, Waste Generators shall source separate recyclable materials and subscribe to a basic level of recycling service that includes collection, self-hauling, or making other arrangements for the pickup of recyclable materials.
- Organic Waste Recycling Program - Pursuant to AB 1826, Waste Generators shall source separate organic recyclable materials (green waste and food scraps) and subscribe to a basic level of organic waste recycling services that includes collection, onsite recycling, self-hauling or making other arrangements for the pickup, sale or donation of organic recyclable materials. Waste generators that are multifamily dwellings are excluded from being required to recycle food scraps.
- Annual Reporting - Waste Generators that have not subscribed to service through the City's Waste Hauler must annually report to the City information regarding compliance with AB 341 and AB 1826, by March 15 of each year. That report requires information on the approach to their recycling program, and materials and tonnage being recycled.
- Enforcement – The City may issue Waste Generators that do not comply with reporting criteria a warning or citation, based on the level of non-compliance. The City may take other compliance actions such as revoking a self-hauling permit or requiring enrollment in recycling and/or organic recycling collection services.
- Fees - The City may charge and collect a fee from a Waste Generators to recover the City's costs incurred in (a) enforcing the new section of the Code, which fees may be set at a future time, and (b) creating, implementing and administering the commercial solid waste and organic waste recycling programs, which fees and programs are already in place through the Waste Management Franchise Agreement.

The City has an AB 341 non-compliance fee that applies to Waste Generators. The monthly amount of the fee is \$71.74. This is 10 percent more than the monthly cost of basic service which is \$65.22. That includes a 2-yard bin for recycling, serviced once per week. The non-compliance fee is designed to encourage compliance with State requirements. The City does not have an AB 1826 non-compliance fee. The basic service to comply with AB 1826 is \$62.38/month, which includes a 64-gallon cart to recycle organics, serviced once per week.

**BACKGROUND:** Several years ago, the State legislature passed laws that impacted the handling of solid waste. In 2011, the State adopted Assembly Bill (AB) 341 (Solid Waste: Diversion). This bill required Waste Generators to arrange for recycling services, and municipalities to implement a commercial solid waste recycling services program. It established a goal of diverting 75 percent of solid waste, as compared to 2014, by 2020. In 2014, the State adopted AB 1826 (Solid Waste: Organics). This bill required Waste Generators to arrange for organic waste recycling services, inclusive of green waste and food scraps. Since their approval, the City, as well as commercial businesses and qualifying multi-family dwellings of five or more units, have been required to comply with all of the requirements of AB341 and AB 1826.

In 2020, during a routine audit by CalRecycle, the City was found deficient in the implementation of programs required by AB 341 and AB 1826. CalRecycle indicated that the City was not meeting "good faith effort" criteria for AB 341 and AB 1826. Good faith effort means all reasonable and feasible efforts made by the jurisdiction to implement its commercial solid waste recycling and commercial organic waste recycling programs. In general, compliance by multi-family dwellings and commercial businesses remains low. Currently, there are 174 and 465 multi-family dwellings with five or more units and 222 and 800 commercial businesses that are not complying with AB 341 and AB 1826, respectively.

As their compliance mechanism, CalRecycle approved the “2020 MCR/MORE South Gate Program Action Plan,” under which the City was required to (1) provide a letter to the business community for voluntary compliance, (2) provide public outreach of the programs, and (3) codify the requirements of AB 341 and AB 1826 to provide an enforcement mechanism for compliance. The proposed Ordinance before the City Council will meet the third requirement. Further, in accordance with items one and two, the City issued a letter to businesses on December 17, 2020. The letter aimed to educate businesses of the requirements of AB 341 and AB 1826, and of reporting requirements.

One of the goals of the proposed Ordinance is to encourage commercial businesses and qualifying multi-family residential properties to comply with current State laws. Currently, the State enforces AB 341 and AB 1826, however, their enforcement actions have not resulted in encouraging compliance. The proposed Ordinance will provide the City the ability to support the enforcement efforts.

If adopted, the proposed Ordinance may result in increasing the City’s overall diversion rate on record with CalRecycle, which is currently at 43.6%. State law requires the diversion rate to be at 50% or more.

Some Waste Generators may feel that reporting requirements are onerous. Currently, Waste Management conducts the reporting requirements for Waste Generator that are subscribed to service, at no additional cost. Waste Management is available to provide support and training to non-compliant Waste Generators at no cost.

**ATTACHMENTS:** A. Proposed Ordinance No. 2021-08-CC

GD:lc

**ORDINANCE NO. 2021-08-CC**

**CITY OF SOUTH GATE  
COUNTY OF LOS ANGELES**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, ADDING PART 8. RECYCLING OF COMMERCIAL SOLID  
WASTE AND ORGANIC WASTE, AND SECTIONS 13.100.430  
(DEFINITIONS), 13.100.440 (COMMERCIAL SOLID WASTE RECYCLING),  
13.100.450 (ORGANIC WASTE RECYCLING), 13.100.460 (FEES) AND  
13.100.470 (ENFORCEMENT PROVISIONS), TO CHAPTER 13.100 (SOLID  
WASTE HANDLING AND RECYCLING SERVICES), OF TITLE 13  
(FRANCHISES), OF THE SOUTH GATE MUNICIPAL CODE**

**WHEREAS**, Chapter 13.100 (Solid Waste Handling and Recycling Services), of Title 13 (Franchises), of the South Gate Municipal Code contains ordinances pertaining to solid waste handling and recycling services within the City of South Gate (“City”);

**WHEREAS**, in 2011 Assembly Bill 341 (Solid Waste: Diversion) was enacted, modifying the California Public Resources Code to establish new laws pertaining to solid waste recycling;

**WHEREAS**, in 2014 Assembly Bill 1826 (Solid Waste: Organics) was enacted, further modifying the California Public Resources Code to establish new laws pertaining to organic waste recycling;

**WHEREAS**, the City has created and implemented the recycling programs mandated by those Bills;

**WHEREAS**, to enhance the City’s ability to enforce participation in and compliance with those programs by businesses located within the City, the City Council desires to add new provisions to Chapter 13.100 of the South Gate Municipal Code addressing the requirements of those Bills; and

**WHEREAS**, the City Council did conduct a duly noticed public hearing on June 8, 2021 and July 13, 2021, to take public testimony and consider introducing this Ordinance.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** Part 8. Recycling of Commercial Solid Waste and Organic Waste, and Sections 13.100.430 (Definitions), 13.100.440 (Commercial Solid Waste Recycling), 13.100.450 (Organic Waste Recycling), 13.100.460 (Fees) and 13.100.470 (Enforcement Provisions), are hereby added

to Chapter 13.100 (Solid Waste Handling and Recycling Services), of Title 13 (Franchises), of the South Gate Municipal Code to read as follows:

**Title 13 (Franchises)**  
**Chapter 13.100 (Solid Waste Handling and Recycling Services)**

**Part 8. Recycling of Commercial Solid Waste and Organic Waste**

**Sections:**

- 13.100.430**    **Definitions.**
- 13.100.440**    **Commercial Solid Waste Recycling.**
- 13.100.450**    **Organic Waste Recycling.**
- 13.100.460**    **Fees.**
- 13.100.470**    **Enforcement Provisions.**

**13.100.430**    **Definitions.**

For the purposes of this Part 8, the words, terms and phrases as defined in this Section shall be construed as hereinafter set forth, unless it is apparent from the context that a different meaning is intended:

- A.    Business. “Business” means (i) a commercial or public entity, including, but not limited to, a firm, partnership, proprietorship, joint stock company, corporation, or association that is organized as a for-profit or nonprofit entity, or (ii) a multifamily residential dwelling.
- B.    Commercial Solid Waste. “Commercial solid waste” means all types of solid wastes generated by stores, offices and other commercial sources, excluding residences, and excluding industrial wastes.
- C.    Organic Waste. “Organic waste” means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.
- D.    Self-Haul. “Self-haul” means to act as a self-hauler.
- E.    Self-Hauler/Self-Hauling. “Self-hauler” or “Self-hauling” means a business that hauls its own waste rather than contracting for that service.
- F.    Waste Generator. “Waste generator” means (i) a business (other than a multifamily residential dwelling) operating in the City of South Gate that generates more than four (4) cubic yards of commercial solid waste per week, and (ii) a multifamily residential dwelling of five units or more.

*Statutory Reference: Public Resources Code §§ 42649.1 & 42649.8*

**13.100.440**    **Commercial Solid Waste Recycling.**

- A.    A business that is a waste generator shall arrange for recycling services consistent with this Section 13.100.440 by taking at least one of the following actions:

1. Source separate recyclable materials from solid waste and subscribe to a basic level of recycling service that includes collection, self-hauling, or other arrangements (which must comply with the requirements of this Chapter 13.100) for the pickup of recyclable materials. A waste generator that elects to self-haul shall obtain a self-hauling permit from the City and shall otherwise comply with the requirements of Section 13.100.420 above.
  2. Subscribe to a recycling service that may include mixed waste processing that yields diversion results comparable to source separation.
- B. A property owner of a multifamily residential dwelling may require tenants to source separate their recyclable materials to aid in compliance with this Section 13.100.440.  
*Statutory Reference: Public Resources Code § 42649.2*

**13.100.450 Organic Waste Recycling.**

- A. A business that is a waste generator shall arrange for recycling services specifically for organic waste consistent with this Section 13.100.450. The requirements of this Section 13.100.450 shall be in addition to, and not instead of, the requirements of Section 13.100.440.
- B. A business that is a waste generator shall take at least one of the following actions:
1. Source separate organic waste from other waste and subscribe to a basic level of organic waste recycling service that includes collection and recycling of organic waste.
  2. Recycle its organic waste onsite or self-haul its own organic waste for recycling. A waste generator that elects to self-haul shall obtain a self-hauling permit from the City and shall otherwise comply with the requirements of Section 13.100.420 above.
  3. Subscribe to an organic waste recycling service that may include mixed waste processing that specifically recycles organic waste.
  4. Make other arrangements consistent with any of the following: (a) a franchise granted by the City; (b) a contract, license, or permit to collect solid waste previously granted by the City; or (c) the existing right of a business to sell or donate its recyclable organic waste materials.
- C. A business that is a property owner may require a lessee or tenant of that property to source separate their organic waste to aid in compliance with this Section 13.100.450.
- D. A business generating organic waste which is subject to this Section 13.100.450 shall arrange for the recycling services required by this Section in a manner that is consistent with the requirements of this Part 8.
- E. The contract or work agreement between a business subject to this Section 13.100.450 and a gardening or landscaping service shall require that the organic waste generated by those services be managed in compliance with this Part 8. The “gardener’s exclusion” set forth



in Section 13.100.180 above is not intended to, and shall not, limit the applicability of this Subsection E.

- F. A business that is a multifamily dwelling is not required to arrange for the organic waste recycling services specified in Subsection B of this Section 13.100.450 for food waste that is generated by the business.

*Statutory Reference: Public Resources Code § 42649.81*

**13.100.460 Fees.**

- A. The City may charge and collect a fee from a business that is a waste generator in order to recover the City's costs incurred in any or all of the following: (i) enforcing Section 13.100.440; (ii) creating, implementing, revising, replacing or administering the commercial solid waste recycling program which the City is obligated to implement pursuant to Public Resources Code Section 42649.3; and (iii) otherwise complying with the requirements of Chapter 12.8 (Recycling of Commercial Solid Waste) of Part 1 (Integrated Waste Management) of Division 30 (Waste Management) of California's Public Resources Code.

- B. In addition to the fee authorized by Subsection A above, the City may also charge and collect a fee from a business that is a waste generator in order to recover the City's costs incurred in any or all of the following: (i) enforcing Section 13.100.450; (ii) creating, implementing, revising, replacing or administering the organic waste recycling program which the City is obligated to implement pursuant to Public Resources Code Section 42649.82 and (iii) otherwise complying with the requirements of Chapter 12.9 (Recycling of Organic Waste) of Part 1 (Integrated Waste Management) of Division 30 (Waste Management) of California's Public Resources Code.

*Statutory Reference: Public Resources Code §§ 42649.6 & 42649.85*

**13.100.470 Enforcement Provisions.**

- A. Each business that is a waste generator must, by March 15 of each year, report to the City (on forms approved by the City) information regarding that business' compliance with Sections 13.100.440 and 13.100.450. That report shall include information as to (i) how commercial solid waste and organic waste are being recycled; (ii) the types of commercial solid waste and organic waste being recycled; (iii) the yearly total amount, in pounds or tons, of commercial solid waste and organic waste being recycled; and (iv) any other information reasonably requested by the City relative to the business' compliance with Sections 13.100.440 and 13.100.450.
- B. Any business that has not submitted the report required under Subsection A above by March 15 may be issued a warning by the City.
- C. Any business that has not submitted the report required under Subsection A above by April 1 may be issued a citation by the City. The citation will require payment by the business of a fine in an amount to be determined by the City.
- D. Subsequent failures by a business to comply with the requirements of Subsection A above may subject the business to additional fines and penalties, at such times and in such amounts as the City deems necessary to enforce compliance with the provisions of this Part 8.

E. In addition to the remedies set forth in Subsections C and D above, the City shall have the right to take other actions which the City deems necessary to enforce a business' compliance with the provisions of this Part 8, including without limitation (i) revoking the business's self-hauling permit, if any, and/or (ii) enrolling the business in any commercial solid waste recycling program and/or any organic waste recycling program operated by the City or by a waste hauler franchised by the City.

*Statutory Reference: Public Resources Code §§ 42649.3(e) & 42649.82(e)(1)*

**SECTION 3.** If any Section, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every Section, Subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 4.** This Ordinance shall take effect on the thirty-first (31<sup>st</sup>) day after its adoption.

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

**PASSED, APPROVED and ADOPTED** this 27 day of July 2021.

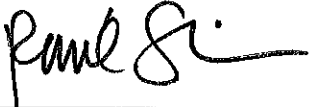
**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

JULY 20 2021  
5:00 pm

*City of South Gate*  
CITY COUNCIL

Item No. 4

AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Administrative Services

Interim Department Director: *Kingsley Okereke* Interim City Manager: *Chris Jeffers*  
*Kingsley Okereke* *Chris Jeffers*

**SUBJECT: RESOLUTION AMENDING RESOLUTION NO. 6454 (SALARY RESOLUTION AND POSITION CLASSIFICATION PLAN) TO UPDATE THE JOB SPECIFICATION OF THE EQUIPMENT MAINTENANCE SUPERINTENDENT POSITION IN THE PUBLIC WORKS DEPARTMENT**

**PURPOSE:** To update the job specification of the Equipment Maintenance Superintendent position in the Public Works Department, to bring it up to date before beginning the recruitment process.

**RECOMMENDED ACTION:** Adopt Resolution amending Resolution No. 6454 (Salary Resolution and Position Classification Plan) to update the job specification of the Equipment Maintenance Superintendent position in the Public Works Department.

**FISCAL IMPACT:** There is no fiscal impact associated with updating the job specification of the Equipment Maintenance Superintendent position. The Fiscal Year 2020/21 budget included funding for this position.

**ANALYSIS:** None

**BACKGROUND:** The position of Equipment Maintenance Superintendent is currently vacant. Staff is recommending to update the job specification before opening up the position for recruitment.

The City must, from time to time, add or otherwise adjust job classifications, job specifications and/or compensation in the Salary Resolution and Position Classification Plan in order to satisfy the changing needs and demands of the workforce and to more closely match the tasks which need to be performed by employees in the City's various departments.

Human Resources staff worked with the Public Works Department to update the job specification for the Equipment Maintenance Superintendent.

Staff corresponded with the Professional Mid-Management Association (PMMA) Board Members to inform them of the proposed changes and they were in agreement.

**ATTACHMENTS:** A) Proposed Resolution (with updated job specification)  
B) Red-lined Equipment Maintenance Superintendent job specification

**RESOLUTION NO. \_\_\_\_\_**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, AMENDING RESOLUTION NO. 6454 (SALARY RESOLUTION AND POSITION CLASSIFICATION PLAN) TO UPDATE THE JOB SPECIFICATION OF THE EQUIPMENT MAINTENANCE SUPERINTENDENT IN THE PUBLIC WORKS DEPARTMENT**

**WHEREAS**, the City must, from time to time, add or otherwise adjust job classifications, job specifications and/or compensation in the Salary Resolution and Position Classification Plan in order to satisfy the changing needs and demands of the workforce and to more closely match the tasks which need to be performed by employees in the City's various departments; and

**WHEREAS**, the City desires to update the job specification of the Equipment Maintenance Superintendent in the Public Works Department; and

**WHEREAS**, the City, based on evaluation, has determined that changes are necessary to the job specification of the Equipment Maintenance Superintendent, as detailed in the proposed Class Specifications & Attributes, attached hereto as Exhibit "A";

**WHEREAS**, the City, in consultation with the Human Resources Division and the Public Works Department, has determined that it is proper to update the job specification of the Equipment Maintenance Superintendent position.

[Remainder of page left blank intentionally]

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby approves and adopts the proposed amendment to the City's Salary Resolution and Position Classification Plan to update the position of Equipment Maintenance Superintendent in the Public Works Department.

**SECTION 2.** The City Council hereby approves and adopts the proposed job specification for the Equipment Maintenance Superintendent position, attached hereto as Exhibit "A";

**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 27<sup>th</sup> day of July 2021.

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk

(SEAL)

**APPROVED AS TO FORM:**

By: Raul F. Salinas (02)  
Raul F. Salinas, City Attorney

***City of South Gate***  
CLASS SPECIFICATIONS AND ATTRIBUTES

**EQUIPMENT MAINTENANCE SUPERINTENDENT**

**DESCRIPTION**

Under administrative direction, plans, coordinates, directs and supervises activities of the Fleet Maintenance Division including the maintenance and repair of the City's vehicle and equipment fleet, apparatuses, and parts inventory warehouse; performs related duties as required. Manages the chemical and hazardous waste material program and maintains acquisition and disposal records. Manages compliance of the two-stage clarifier. Acts as the City's designated liaison with Los Angeles County Certified Unified Program Agency (CUPA), California Air Resources Board (CARB), Environmental Protection Agency (EPA) and California Highway Patrol (CHP) regarding maintenance related regulations and/or requirements within the Division. Receives general direction from the Director of Public Works and Field Operations Manager. Exercises direct supervision over equipment mechanics.

**CLASS CHARACTERISTICS**

The Equipment Maintenance Superintendent is a single position classification which has administrative responsibilities such as assigning or coordinating work assignments. The incumbent is distinguished from the Equipment Mechanic and the Senior Equipment Mechanic in that the incumbent works primarily supervising staff and overseeing vehicle maintenance operations.

**SUPERVISION RECEIVED**

Works under the general supervision of the Field Operations Manager.

**SUPERVISION EXERCISED**

Exercises direct supervision over the Senior Equipment Mechanic and the Equipment Mechanics.

**ESSENTIAL FUNCTIONS**

*The following functions are typical for this classification. The incumbent may not perform all of the listed functions and/or may be required to perform additional or different functions from those set forth below to address business needs and changing business practices.*

Manages technical staff engaged in the repair and maintenance of light and heavy-duty powered equipment and alternative-fueled vehicles; including automobiles, trucks, tractors, police emergency response vehicles and a variety of other municipal mechanical equipment.

Oversees the safe working condition of facility, tools and shop equipment and preventative maintenance program.

Manages the operation and maintenance of lubricants, electric and other fuel stations; recommends, formulates and implements the City's alternative fuel stations.

Determines work priorities based on needs of the departments and the City; adjusts work schedule to meet changing priorities; monitors status of repair work on vehicles and equipment to ensure quality control and efficient turnaround time.

Supervises the work of staff including assigning, planning and reviewing work; evaluating work performance and completing performance evaluations; recommending hire of new employees; providing training on work methods and safety procedures; counseling and acting on employee issues; and recommending and implementing discipline.

Provides technical mechanical assistance and direction to staff and others in diagnosing problems, troubleshooting and resolving difficult mechanical problems.

Estimates costs of proposed repairs for vehicles or shop equipment; makes recommendations for vehicle replacement; prioritizes and coordinates with other departments to assess vehicles and equipment repair, maintenance and utilization.

Determines which repair work to sublet to outside vendors considering costs and available manpower; analyzes bids to select best vendor for job; participates in the preparation of the service contracts; administers and monitors contracts and vendor's performances.

Authorizes purchase of parts, equipment and supplies; supervises the control of parts, equipment and supplies inventory; coordinates the procurement of parts, equipment and supplies for other public works divisions; prepares bid requests and specifications for new equipment and vehicles; obtains price quotations; ensures inventory is maintained at adequate levels.

Prepares division budget and controls expenditure of funds; analyzes expenses and prepares reports related to division activities with recommendations for improved efficiencies and auditing agencies.

Develops and implements preventive maintenance and repair programs; evaluates work methods, operations, policies, procedures and services to determine effectiveness; makes changes for improvement. Establishes and maintains a variety of records related to vehicle and equipment service and repair.

Monitor and compliance of department's AST (Above Ground Storage Tanks), and off-site emergency generators.

May assist with accident investigations by providing information related to City transportation equipment involved in traffic collisions, estimate damages, schedule repairs, process claim forms through Human Resource and insurance companies.

**QUALIFICATIONS**

Any combination of education and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way would be:

Education and Experience

Graduation from high school or equivalent supplemented by completion of specialized coursework in vehicle maintenance and four (4) years of journey level experience as an automotive mechanic which included maintenance and repair of light and heavy equipment. Two years of Supervisory experience is desirable.

License/Certifications/Special Requirements

Possession of or ability to obtain a valid California Class C driver's license and a satisfactory driving record is required throughout employment in this position. Must obtain Automotive Service Excellence (ASE) certification as a Master Automobile Technician (Tests A1-A8) and Light Vehicle Diesel Engines (Test A9) within two years of hire.

Knowledge, Skills, and Abilities

Knowledge of: diagnosis, repair and maintenance of major systems found in a variety of equipment including automotive, truck, and a variety of heavy equipment; current equipment maintenance methods and procedures; supervisory principles and practices; computer systems, programs and applications; safety rules and precautions related to the use of tools, vehicles and equipment.

Ability to: plan, assign, supervise and direct the work of employees; estimate labor and material costs; determine the requirements for major mechanical maintenance and repair work; inspect and determine the adequacy of work performed; read, interpret and comprehend various technical manuals, wiring diagrams and schematics; maintain accurate records and prepare reports; communicate effectively both orally and in writing; provide training and guidance to equipment maintenance staff; analyze workplace needs and establish effective courses of actions; ensure work is performed accurately and within scope of budget; establish and maintain cooperative working relationships.

**ADDITIONAL INFORMATION:**

**CALIFORNIA DEPARTMENT OF MOTOR VEHICLE (DMV) PULL NOTICE SYSTEM**

An incumbent appointed to this position is subject to enrollment in the California DMV Pull Notice Program. The Pull Notice program provides information on the incumbent's driving record and Driver's License status on a periodic basis to the City of South Gate. An employee assigned a City vehicle must acknowledge receipt and understanding of City Administrative Regulations covering the use of City vehicles.

**PHYSICAL DEMANDS AND WORK ENVIRONMENT**

The physical demands and work environment described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. Employees perform physically demanding work. While performing the duties of this job, the employee is frequently required to walk, stand, bend, stoop, crouch, talk or hear. The employee is frequently required to use hands to finger, handle, or feel objects, tools, or controls; and reach with hands and arms. The employee must occasionally lift and/or move up to 75 pounds. Specific vision abilities required by this job include close vision, color perception and the ability to adjust focus. Incumbents usually work in a shop environment but can be exposed to adverse environmental conditions including noise, dust, gas and fumes.

EQUIPMENT MAINTENANCE SUPERINTENDENT  
Revised, 06/09/2009  
Revised, 07/27/2021



RECEIVED

Item No. 5

JUN 13 2021

City of South Gate

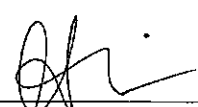
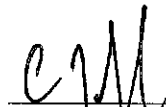
CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

1:15pm

AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Community Development

Interim Department Director:  Interim City Manager:   
Grace I. Martin Chris Jeffers

**SUBJECT: RESOLUTION AMENDING THE BUDGET TO THE FISCAL YEAR 2021/22 ANNUAL ACTION PLAN TO INCORPORATE ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING**

**PURPOSE:** Inform City Council about the allocation change to the Fiscal Year (FY) 2021/22 Community Development Block Grant (CDBG) budget and ratify the amended budget to incorporate additional CDBG funding.

**RECOMMENDED ACTIONS:** The City Council will consider adopting a Resolution amending the budget to the Fiscal Year 2021/22 Annual Action Plan to incorporate additional Community Development Block Grant funding in the amount of \$21,419.

**FISCAL IMPACT:** There is no fiscal impact on the General Fund. The U.S. Department of Housing and Urban Development (HUD) is increasing the City's annual allocation by 1.5% (\$21,419). The additional CDBG funds will be allocated to programs that were previously approved by City Council as part of the FY 2021/22 Annual Action Plan.

**ANALYSIS:** None.

**BACKGROUND:** On May 13, 2021, HUD notified the City that there was an error in the previously announced FY 2021/22 CDBG formula allocation, causing all CDBG grants to be less than what should have been allocated by formula. HUD corrected the error, and the City was notified that it was receiving an additional \$21,419 in FY 2021/22 CDBG funding. This allocation changes the total CDBG funding for FY 2021/22 from \$1,453,467 to \$1,474,886.

Staff is proposing to add this additional funding across two (2) CDBG programs, which were previously approved at the May 11, 2021, City Council meeting as part of the FY 2021/22 Annual Action Plan. Due to the 15% Public Services Cap which limits additional funds from being added to public services activities, staff recommends adding these additional funds to Program Administration and South Gate Park Improvement – Boy Scout Huts.

Revised Proposed Amended FY 2021/22 CDBG Budget:

Revised Funding Allocation for FY 2021-2022			\$1,474,886
Program/Activity	Original Funding Amount	Proposed New Funding Amount	Increase
Administration (20%)	\$290,693	\$294,976	\$4,283
• Fair Housing (\$24,000)	\$24,000	\$24,000	\$0
• Program Administration (\$266,693)	\$266,693	\$270,976	\$4,283
Mental Health	\$10,000	\$10,000	\$0
Salvation Army	\$22,500	\$22,500	\$0
Southern CA Rehab	\$10,000	\$10,000	\$0
Police Explorer	\$7,000	\$7,000	\$0
Family Violence Prevention	\$10,500	\$10,500	\$0
Food Insecurity	\$18,020	\$18,020	\$0
S. G. Park Improvement – Roof Repair	\$455,000	\$455,000	\$0
S. G. Park Improvement – Boy Scout Huts	\$389,754	\$406,890	\$17,136
Graffiti Abatement	\$140,000	\$140,000	\$0
Program Delivery – HOME program	\$100,000	\$100,000	\$0
<b>Totals</b>	\$1,453,467	<b>\$1,474,886</b>	<b>\$21,419</b>

Under CDBG regulations, up to 20% of the annual allocation can be used for program administration costs and 15% of the annual allocation can be used to support public services.

Per the City’s adopted Citizen Participation Plan, the budget amendment noted in this agenda bill does not trigger a substantial amendment, but they do require City Council’s approval. If City Council approves this budget amendment, staff will update the FY 2021/22 Annual Action Plan to incorporate the additional CDBG funding.

**ATTACHMENT:** Proposed Resolution

**RESOLUTION NO.  
CITY OF SOUTH GATE**

**LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, AMENDING THE BUDGET TO THE FISCAL YEAR 2021/22  
ANNUAL ACTION PLAN TO INCORPORATE ADDITIONAL COMMUNITY  
DEVELOPMENT BLOCK GRANT FUNDING IN THE AMOUNT OF \$21,419**

**WHEREAS**, the City of South Gate (“City”) has applied and received Community Development Block Grant (“CDBG”) and HOME Investment Partnership (“HOME”) funds from the Government of the United States under Title I of the Housing and Community Development Act of 1974;

**WHEREAS**, the U.S. Department of Housing and Urban Development (“HUD”) is the federal agency that promulgates regulations and oversees the administration of the CDBG program;

**WHEREAS**, the City was informed by HUD that there was an error in the formula calculation for its FY 2021/22 CDBG allocation, previously noted as \$1,453,467;

**WHEREAS**, the City’s correct CDBG allocation is \$1,474,886, a difference of \$21,419 and increase of 1.5%; and

**WHEREAS**, the City Council desires to add the additional funds to Administration and the South Gate Park Improvement – Boy Scout Huts activities.

[Remainder of page left blank intentionally.]

**NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** The City Council does hereby approve the amended Fiscal Year 2021/22 CDBG budget to increase the overall allocation to \$1,474,886, with the additional \$21,419 added to Administration (\$4,283) and the South Gate Park Improvement – Boy Scout Huts (\$17,136) activities.

**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED this 27<sup>h</sup> day of July 2021.**

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

CITY MANAGER'S OFFICE

City of South Gate

CITY COUNCIL

JUL 21 2021

10:15 AM

AGENDA BILL

For the Regular Meeting of: July 27, 2021

Originating Department: Public Works

Department Director: *[Signature]*  
*Arturo Cervantes*

City Manager: *[Signature]*  
*Chris Jeffers*

**SUBJECT: AMENDMENT NO. 2 TO CONTRACT NO. 3410 WITH PARKWOOD LANDSCAPE MAINTENANCE, INC., FOR WEEKLY STEAM CLEANING AND MONTH-TO-MONTH LANDSCAPE SERVICES**

**PURPOSE:** The City contracts with Parkwood Landscape Maintenance, Inc., (Parkwood Landscape), to maintain landscaping systems, parking lots and certain public facilities located within City parkways. Contract No. 3410 with Parkwood Landscape expired on June 30, 2021. Proposed Amendment No. 2, (a) extends the term of the contract to October 31, 2021, on a month-to-month basis, to provide time to procure a new contract through a competitive process retroactively effective July 1, 2021, and (b) adds services to increase the frequency of steam cleaning bus shelters and benches, and to spot cleaning public sidewalks on Firestone Blvd, Atlantic Ave and Long Beach Blvd, retroactive to May 10, 2021.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving Amendment No. 2 to Contract No. 3410 with Parkwood Landscape Maintenance, Inc., extending landscaping maintenance services through October 31, 2021, on a month-to-month basis, retroactively effective July 1, 2021, and increasing the scope of work for steam cleaning maintenance services of bus shelters, benches and sidewalks on Firestone Boulevard, Atlantic Avenue and Long Beach Boulevard, retroactively effective May 10, 2021, for an amount not-to-exceed \$91,908; and
- b. Authorize the Mayor to execute Amendment No. 2 in a form acceptable to the City Attorney.

**FISCAL IMPACT:** There is no impact to the General Fund. Amendment No. 2 to Contract No. 3410 is in the amount of \$91,908 and it is budgeted in the proposed Fiscal Year 2021/22 Operating Budget, as summarized below.

Funding Source	Proposed Amendment					Total
	Street Lighting & Landscape Maintenance	Proposition C	Water	Gas Tax	Measure R	
Account No.	251-714-25-6101	222-780-31-6101	411-731-71-6101	212-713-31-6101	224-780-31-6101	
Contract No. 3410	\$487,620	\$113,496	\$187,200	\$17,766		\$806,082
Amendment No. 1	\$62,843	\$14,627	\$24,125		\$71,290	\$172,885
Amendment No. 2	\$55,000	\$23,750	\$10,000		\$3,158	\$91,908
<b>Total Contract</b>	<b>\$605,463</b>	<b>\$151,873</b>	<b>\$221,325</b>	<b>\$17,766</b>	<b>\$74,448</b>	<b>\$1,070,875</b>

**ANALYSIS:** Under Contract No. 3410, Parkwood Landscape provides maintenance services of landscaping systems, parking lots and certain public facilities located within parkways such as street furniture and sidewalks, which contract expired on June 30, 2021. Staff is seeking new proposals from possible vendors and that process closes on August 5, 2021. Staff is recommending extending the contract with Parkwood Landscape to continue services through October 31, 2021. This will give staff

sufficient time to review and analyze proposals for recommendation to the City Council possibly by the second meeting in September of 2021.

As such, Proposed Amendment No. 2 extends the term of the contract to October 31, 2021, on a month-to-month basis, retroactively starting July 1, 2021. Parkwood Landscape will continue to provide services under the original contracted scope of work as specified below, at a monthly rate of \$20,777. Proposed Amendment No. 2 also adds services at a monthly rate of \$2,200. It increases the frequency of steam cleaning bus shelters and benches from twice a month to four times a month on Firestone Boulevard, Atlantic Avenue and Long Beach Boulevard. It also adds spot cleaning sidewalks on said streets at a frequency of once a week. These services were initiated on May 10, 2021 to address known sanitation issues. As such, the contract includes payment for these services, retroactively, effective May 10, 2021. Below is a budget summary of Proposed Amendment No. 2.

<b>Services</b>	<b>July thru October, 2021</b>
Contracted Scope of Work	\$83,108
Added Services	\$8,800
<b>Total</b>	<b>\$91,908</b>

**BACKGROUND:** The City owns landscaped medians, parking lots and street furniture on parkways citywide and the Public Works Department is responsible for their maintenance. Currently, these facilities are maintained by Parkwood Landscape under Contract No. 3410. More specifically, Parkwood Landscape maintains (a) sidewalks and City parking lots within the Tweedy Mile Shopping District and the Hollydale Shopping District, (b) landscaped roadway medians citywide, (c) water well sites, (d) bus shelters and bus stops, (e) the Alameda Sound Wall, City parking lots and other municipal facilities, (f) sidewalks, and (g) vacant lots. Services include mowing, edging, weeding, pruning, fertilization, seasonal planting, and trash pick-up, and pest control, upkeep of the irrigation systems, steam cleaning, and other general landscape maintenance tasks. It also includes maintenance for specials events such as the Children’s Christmas Lane Parade on Tweedy Boulevard.

On January 23, 2018, the City Council approved Contract No. 3410 with Parkwood Landscape for citywide landscape maintenance services for a three-year term in the amount of \$806,082 or \$268,694 annually for three years. On August 11, 2020, the City Council approved Amendment No. 1 to Contract No. 3410 with Parkwood Landscape in the amount of \$172,885 for landscape and irrigation system maintenance services and as-needed repairs for the new Firestone Boulevard center medians. That said, the current Contracted Scope of Work includes services under Contract No. 3410 and Amendment No. 1 (Contracted Scope of Work).

The initial term of Contract No. 3410 expired on June 30, 2021. Proposed Amendment No. 2 will extend the term of the contract by four months, to October 31, 2021, on a month-to-month basis and provides for additional services. More specifically, Amendment No. 2 provides the following:

- Provides a 4-month time extension to continue services under the Contracted Scope of Work, as described above, in the amount of \$20,777 a month, for a total of \$83,108.
- Provides additional services in the amount of \$2,200 per month or \$8,800 total. This includes steam cleaning bus shelters and benches on Atlantic Ave, Firestone Blvd and Long Beach Blvd four times a month, instead of twice a month. It also adds spot steam cleaning of sidewalks once a week on said streets.

Located in Van Nuys, with a branch office in Santa Fe Springs, Parkwood Landscape has been providing professional landscape maintenance services since 1967. Parkwood Landscape exhibits the capability, capacity, and experience to perform this work. They have been providing similar services to a wide

variety of agencies such as the Port of Long Beach, the cities of Palmdale, Hawthorne and Glendale, as well as the City of Los Angeles Japanese Garden. Parkwood Landscape operates with approximately 250 full-time employees and estimates that they deliver over \$20 million in projects annually, with contracts that range from \$25,000 to \$400,000. Parkwood Landscape is intimately familiar with the City's landscape. They have been servicing the City for over three years.

- ATTACHMENTS:**
- A. Proposed Amendment No. 2 and Proposal
  - B. Amendment No. 1
  - C. Contract No. 3410

JP:yp/lc

**AMENDMENT NO. 2 TO CONTRACT NO. 3410  
FOR LANDSCAPE MAINTENANCE SERVICES  
WITH PARKWOOD LANDSCAPE, INC.**

This Amendment No. 2 to Contract No. 3410 for Landscape Maintenance Services ("Amendment No. 2"), is made and entered into on July 13, 2021, by and between the City of South Gate, a municipal corporation ("City"), and Parkwood Landscape Maintenance, Inc., a California corporation ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS:**

**WHEREAS**, on January 23, 2018, the City Council approved Contract No. 3410 with Contractor ("Agreement"), for Citywide Landscape Maintenance Services for a three-year term through and including January 31, 2021, in the amount of Eight Hundred Six Thousand Eighty-Two Dollars (\$806,082);

**WHEREAS**, on August 11, 2020, the City Council approved Amendment No. 1 to the Agreement, extending the term of the of the Agreement for an additional five-month term through and including June 30, 2021, in an amount not to exceed One Hundred Three Thousand Eight Hundred Eighty Five Dollars (\$172,885), for the landscaping maintenance services, bringing the aggregate total of the Agreement and Amendment No. 1 to a sum of Nine Hundred Seventy Eight Thousand Nine Hundred Sixty Seven Dollars (\$978,967);

**WHEREAS**, the City and Contractor desire to execute Amendment No. 2 to increase the frequency of steam cleaning bus shelters and benches, and to spot clean public sidewalks on Firestone Boulevard, Atlantic Avenue, and Long Beach Boulevard, retroactively effective May 10, 2021, through and including October 31, 2021, for an amount not-to-exceed Twelve Thousand Six Hundred Fifty Dollars (\$12,650), in accordance with the Scope of Work and Fee Proposal attached hereto as Exhibit "A" and made a part to this Amendment No. 2 under the terms and conditions of the Agreement; and

**WHEREAS**, the City and Contractor desire to execute Amendment No. 2 to also extend the term of the Agreement for an additional four (4) months, on a month-to-month basis, retroactively effective July 1, 2021, through and including October 31, 2021, in an amount not to exceed Eighty Three Thousand One Hundred Eight Dollars (\$83,108), or Twenty Thousand Seven Hundred Seventy Seven Dollars (\$20,777) per month, during which the contractor will provide landscape maintenance services in accordance with the Scope of Work and fee proposal attached hereto as Exhibit "A", under the terms and conditions of the Agreement, bringing the aggregate total of the Agreement, Amendment No. 1 and Amendment No. 2 to a total sum of One Million Seventy-Four Thousand Seven Hundred Twenty-Five Dollars (\$1,074,725).



**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1. MODIFICATION TO AGREEMENT:**

- a. **TERM OF AGREEMENT.** The term of the Agreement shall be **extended by up to four (4) months through and including October 31, 2021, on a month-to-month basis**, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided in the Agreement.
- b. **COMPENSATION.** The amount of compensation paid by City to Contractor for the work identified in Exhibit "A" shall not exceed **Ninety-Five Thousand Seven Hundred and Eight Dollars (\$95,758)**. The aggregate sum of the Agreement, Amendment No. 1 and Amendment No. 2 is One Million Seventy-Four Thousand Seven Hundred Twenty-Five (\$1,074,725).

2. **EFFECT OF AMENDMENTS.** Except as expressly amended herein, all other terms and conditions of Agreement shall remain in full force and effect. Without limiting the generality of the foregoing, Agreement shall remain unchanged during the term of Agreement as extended by Section 1 above. Furthermore, City reserves the right to augment or reduce the scope of work as City deems necessary.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 2 to be executed and attested by their respective officers hereunto duly authorized.

**CITY OF SOUTH GATE:**

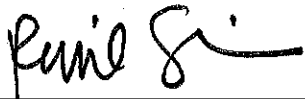
By: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**PARKWOOD LANDSCAP  
MAINTENANCE, INC.:**

By: \_\_\_\_\_  
David Melito, President

Date: \_\_\_\_\_

EXHIBIT A

Landscape Maintenance



**Parkwood**

16443 Hart Street  
Van Nuys, California 91406

Telephone: 818 988 9677  
Fax: 818 988 4934

June 29, 2021

Mr. David Torres  
City of South Gate  
8550 California Ave.  
South Gate, CA 90280

Re: Landscape Maintenance Extension

Dear David:

Parkwood Landscape Maintenance, Inc. proposes to provide all labor, equipment and materials to extend the landscape and irrigation maintenance services from July 1, 2021 to October 31, 2021 at the locations listed below.

All work shall be performed in accordance to our existing contract.

- Annual Landscape Maintenance for Tweedy and Hollydale Maintenance Districts, Street Medians City wide; Maintenance of Miller Way and City Owned Lots \$14,322.00
  - Annual Landscape Maintenance for Tweedy Mile and Civic Center parking lots / flower beds. \$260.00
  - Annual Landscape Maintenance for Hawkins Reservoir, Corporate Yard, Wells 22B, 26, 27, 28 and Westside Reservoir \$1,164.00
  - Maintenance of Trash Receptacles, Bus shelters, Steam Cleaning at bus stops and bus routes crtywide \$5,031.00
  - Powerwash and spot clean all Sidewalks (Atlantic Ave, Firestone Blvd, and Long Beach Blvd) and Bus Stops (from bi-weekly to weekly service) \$2,200.00
- Total: \$22,977.00/month

7a

Mr. David Torres  
June 29, 2021  
Page -2-

An authorized signature in the space below will convert this proposal to a contract agreement. Please sign both copies, keep the original for your own records and return a copy to our office.

Should you have any questions, please call me at our office.

Sincerely,  
PARKWOOD LANDSCAPE MAINTENANCE, INC.



David L. Melito  
President

cc: Juan Preciado  
Jorge Quintero  
Lorenzo Gomez  
Veronica Avila

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_

**AMENDMENT NO. 1 TO CONTRACT NO. 3410  
FOR ADDITIONAL CITYWIDE LANDSCAPE MAINTENANCE SERVICES  
WITH PARKWOOD LANDSCAPE MAINTENANCE, INC.**

This Amendment No. 1 to Contract No. 3410 for additional Citywide Landscape Maintenance Services with Parkwood Landscape Maintenance, Inc. ("Amendment No. 1"), is made and entered into on August 11, 2020, by and between the City of South Gate, a Municipal Corporation ("City"), and Parkwood Landscape Maintenance, Inc., a California Corporation ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS:**

**WHEREAS**, on January 23, 2018, the City Council approved Contract No. 3410 with Contractor ("Agreement") for Citywide Landscape Maintenance Services for a three-year term through and including January 31, 2021, in the amount of Eight Hundred Six Thousand Eighty Two Dollars (\$806,082);

**WHEREAS**, the City and Contractor desire to execute Amendment No. 1 adding necessary landscape and irrigation system maintenance services and as-needed repairs for the new Firestone Boulevard center medians commencing August 12, 2020 through and including June 30, 2021, for an amount not-to-exceed **Sixty Nine Thousand Dollars (\$69,000)**, for the landscaping maintenance services identified in the Scope of Work and Fee Proposal attached hereto as Exhibit "A" and made a part to this Amendment No. 1, under the terms and conditions of the Agreement; and

**WHEREAS**, the City and Contractor desire to execute Amendment No. 1 extending the term of the Agreement for an additional five-month term through and including June 30, 2021, in an amount not to exceed **One Hundred Three Thousand Eight Hundred Eighty Five Dollars (\$103,885)**, for the landscaping maintenance services identified in Exhibit "A", under the terms and conditions of the Agreement; and

**WHEREAS**, the aggregate sum of the additional landscaping maintenance services identified in Exhibit "A" and the extension through and including June 30, 2021, is One Hundred Seventy Two Thousand Eight Hundred Eighty Five Dollars (\$172,885), bringing the aggregate total sum of the Agreement and Amendment No. 1 to Nine Hundred Seventy Eight Thousand Nine Hundred Sixty Seven Dollars (\$978,967).

**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1. TERM OF AGREEMENT.**

The term of the Agreement shall be extended by five (5) months **through and including June 30, 2021**, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided in the Agreement. The additional landscaping maintenance services identified in Exhibit "A" shall commence on August 12,

2020, through and including June 30, 2020.

**2. COMPENSATION.**

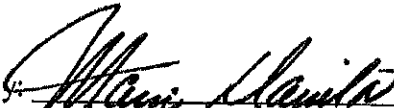
The amount of compensation paid by City to Contractor for the work identified in Exhibit "A" shall not exceed the sum of **One Hundred Seventy Two Thousand Eight Hundred Eighty Five Dollars (\$172,885).**

**3. EFFECT OF AMENDMENTS.**

Except as expressly amended herein, all other terms and conditions of Agreement shall remain in full force and effect. Without limiting the generality of the foregoing, Agreement shall remain unchanged during the term of Agreement as extended by Section 1 above. Furthermore, City reserves the right to augment or reduce the scope of work as City deems necessary.

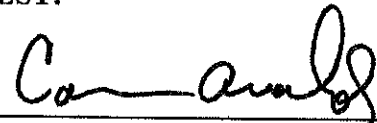
**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment No. 1 to be executed and attested by their respective officers hereunto duly authorized.

**CITY OF SOUTH GATE:**


By:   
Maria Davila, Mayor

Dated: 8-27-2020

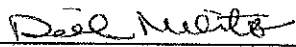
**ATTEST:**

By:   
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:   
Raul F. Salinas, City Attorney

**PARKWOOD LANDSCAPE  
MAINTENANCE, INC.:**

By:   
David Melito, President

Dated: 8-25-2020



**Parkwood**

16143 Hart Street  
Van Nuys, California 91406

Telephone: 818 988 9677  
Fax: 818 988 4934

August 3, 2020

Mr. Kenneth Tang  
City of South Gate  
4244 Santa Ana Street  
South Gate, CA 90280

Re: Landscape Maintenance Fee Proposal  
Amendment No. 1

Dear Kenneth:

Parkwood Landscape proposes Amendment No. 1 in accordance to the landscape maintenance fee schedule as outlined below. All terms and conditions of our existing contract shall apply.

Amendment No. 1

- Provide landscape and irrigation systems maintenance for new Firestone Blvd. medians from August 12, 2020 through June 30, 2021.
- Extend existing landscape maintenance contract from February 1, 2021 through June 30, 2021.
- Provide \$ 172,885.00 to fund new Firestone Blvd. medians from August 12, 2020 through June 30, 2021 in new services \$ 56,000.00, the five (5) month extension of existing landscape services \$103,885.00 and contingency funds \$ 13,000.00.

An authorized signature in the space below will convert this proposal to a contract agreement. Please sign both copies, keep the original for your own records and return a copy to our office.

Should you have any questions, please call me at our office.

Sincerely,  
PARKWOOD LANDSCAPE MAINTENANCE, INC.

David L. Melito  
President

LG:ya

cc: David Torres  
Jorge Quintero  
Lorenzo Gomez  
Veronica Avila

Accepted by: .....

Date: .....

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----- Original message -----

From: David Melito <dmelito@parkwoodlandscape.com>  
Date: 3/3/20 8:38 AM (GMT-08:00)  
To: David Torres <dtorres@sogate.org>  
Cc: Lorenzo Gomez <lgomez@parkwoodlandscape.com>  
Subject: RE: Firestone Blvd. Medians and Landscaping Detail Plans

David,

For budgetary purposes, I would estimate the cost for landscape and irrigation systems maintenance for Firestone Blvd at \$5,250.00 per month.

Should you have any questions, please feel free to contact me.

Best Regards,

David Melito  
President



**Parkwood**  
Landscape Maintenance

18443 Hart Street  
Van Nuys CA 91406  
Ph 818-988-9677



**SCOPE OF WORK**

**A. TASK DESCRIPTION**

**Section 1 General**

All applicable provisions of the City of South Gate Municipal Code and State Standards, are incorporated herein by reference and are intended to govern maintenance methods, except as modified herein or are inconsistent with the provisions hereof.

**Section 2 Work Areas**

The work areas to be maintained are within the public right-of-way, which is the back of sidewalk on one side of the street to the back of sidewalk at the other side of the street, and as described in the tables below. Within parking lots, the areas, also, include all planters within the lot on which the facility is situated, and all areas within the public parking lots and public areas and as described in the tables below.

The work areas for this contract include, but not limited to, the following:

**i. Tweedy Maintenance District**

<b>Streets</b>	<b>From</b>	<b>To</b>
Tweedy Blvd.	West City limits	East City limits
Long Beach Blvd.	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
Madison Ave.	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
State Street	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
Deeble Street	North Alley	Southerly R.O.W. on Tweedy Blvd
Dearborn Ave.	North Alley	Southerly R.O.W. on Tweedy Blvd
Victoria Ave.	North Alley	Southerly R.O.W. on Tweedy Blvd
Elizabeth Ave.	North Alley	South Alley
Virginia Ave.	North Alley	South Alley
California Ave.	North Alley	South Alley
San Antonio Ave.	North Alley	South Alley
San Carlos Ave.	North Alley	South Alley
San Gabriel Ave.	North Alley	South Alley
San Juan Ave.	North Alley	South Alley
San Luis Ave.	North Alley	South Alley
San Miguel Ave.	North Alley	South Alley
San Vincente Ave.	North Alley	South Alley

Mallison Ave.	North Alley	South Alley
Otis Street	North Alley	South Alley
McNerney Ave.	North Alley	South Alley
Bowman Ave.	North Alley	South Alley
Alexander Ave.	North Alley	South Alley
Bryson Ave.	North Alley	South Alley
Hunt Ave.	North Alley	South Alley

***Parking Lots North of Tweedy Boulevard***

N.E. corner California Avenue and alley
N.E. corner San Antonio Avenue and alley
N.W. corner San Carlos Avenue and alley
N.E. corner San Carlos Avenue and alley
N.W. corner San Juan Avenue and alley
N.E. corner San Juan Avenue and alley
N.W. corner San Luis Avenue and alley
N.W. corner San Miguel Avenue and alley
N.E. corner Otis Street and alley
N.E. corner McNerney Avenue and alley
N.W. corner McNerney Avenue and alley
N.W. corner Bowman Avenue and alley
N.E. corner Bowman Avenue and alley
N.E. corner Alexander Avenue and alley
N.E. corner Bryson Avenue and alley

***Parking Lots South of Tweedy Boulevard***

S.W. corner California Avenue and alley
S.E. corner San Antonio Avenue and alley
S.W. corner San Carlos Avenue and alley
S.W. corner San Luis Avenue and alley
S.E. corner San Vincente Avenue and alley
S.W. corner Mallison Avenue and alley
S.E. corner Mallison Avenue and alley
S.W. corner Bowman Avenue and alley
S.E. corner Bowman Avenue and alley
S.W. corner Alexander Avenue and alley
S.W. corner San Vincente Avenue and alley (along south wall only)

**Firestone Boulevard**  
**Alameda Street to Rayo Avenue**  
**Starting on August 12, 2020**

**ii. Hollydale Maintenance District**

<b>Streets</b>	<b>From</b>	<b>To</b>
Garfield Avenue	80' north of centerline of Roosevelt Ave.	North curb line of Century Blvd.
Main Street	Utah Avenue	Alley east of Garfield Ave.

**Parking Lots**

N.E. corner Utah Ave. and Main Street
S.E. corner Utah Ave. and Main Street
S.W. corner Garfield Ave. and Main Street

**iii. Street Median Maintenance District**

1. Intersection of Firestone Boulevard and Garfield Avenue: those raised planted medians at the intersection of Firestone Boulevard and Garfield Avenue extend: northerly to the north City boundary, easterly to the east City boundary, westerly to National Avenue and southerly one block.
2. Intersection of Garfield Avenue and Main Street extended northerly to Roosevelt Avenue and southerly to Century Boulevard.
3. Firestone Boulevard, east of Alameda Street.
4. Tweedy Blvd from Long Beach to Alameda
5. Atlantic Avenue.
6. State Street.

**iv. Hawkins Reservoir Site**

This location is on the Southwest quadrant of Firestone Boulevard and the Long Beach Freeway (I-710). Access is via Garfield Avenue, Miller Way and Frontage Road West.

**v. City Water Well Site No. 26**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue, west of Truba Avenue.

**vi. City Water Well Site No. 27**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue, east of Truba Avenue.

**vii. City Water Well Site No. 28**

This site is located at 3414 Ardmore Avenue, South Gate, CA 90280, west of California Avenue.

**viii. City Water Well Site No. 29**

This site is located at 2700 Ardmore Avenue, South Gate, CA 90280, at the intersection of Santa Fe Avenue and Ardmore Avenue in South Gate.

**ix. South Gate Corporation Yard**

Located at 4244 Santa Ana Street.

**x. Civic Center Parking Lot and Planter at Tweedy Blvd./Deeble Street.**

**xi. Westside Reservoir Site**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue.

**xii. Alameda Soundwall Planter**

This location is on the westside of Alameda Street, between Southern Avenue and Tweedy Boulevard.

**xiii. Century Blvd. North**

North side of Century Boulevard from State Street to Santa Fe Avenue.

**Section 3 Task Description**

The work to be performed, in the aforementioned areas, shall consist of, but not limited to, furnishing all labor, materials and equipment necessary to maintain all landscaped areas described, herein to include, but not limited to, turf, shrubs, groundcover, vines and irrigation systems.

The work shall also include emptying and maintenance of trash receptacles; maintenance and cleaning of benches, bus stop facilities, tree wells, and planters, and pickup debris, gum, animal feces, grease, paint, graffiti, glass and trash from all public places. Planting of annuals and mowing lawns in specified areas, manual and chemical weed abatement. Also, steam cleaning, and irrigation system maintenance.

Major repairs (exceeding \$1,000, single or aggregate per year) to the irrigation system are not included. City reserves the right to hire other parties to do the major irrigation repairs to the system.

The Contractor shall tour the sites and determine the quantity and type of landscaping and facilities to be maintained.

Actual work to be performed and required performance frequencies are defined in

the following divisions of these documents.

**Section 4**     **Safety**

The Contractor shall perform all the work required in such a manner as to meet all accepted standards for safe practices during all operations and to maintain safe condition of premises and right-of-ways at all times.

The Contractor shall so conduct his operations as to offer the least possible obstruction and inconvenience to the public to include disruption of the noise levels within the area.

All incidents out of the norm including but not limited to crimes, thefts, vandalism, hazards, etc., shall be reported immediately by phone to the Police Department at (323)563-9500

**Section 5**     **Cooperation/Collateral Work**

The Contractor shall recognize that during the course of the contract other activities and operations may be conducted by City forces and/or other contractors. These activities may include, but are not limited to: landscape refurbishment, irrigation system modification or repair, construction and storm related operations.

The Contractor may be required to modify or curtail certain operations and shall comply with any request by the Engineer to cooperate.

**Section 6**     **Contractor's Equipment**

All equipment and machinery utilized by the Contractor while performing work for the City shall be equipped and operated in such a manner so as to conform to all applicable laws and regulations including, but not exclusive to OSHA, concerning safety and operations. A complete listing of equipment must be submitted with the proposal on form provided.

**Section 7**     **Inspection**

The Contractor shall have a superintendent available at **bi-weekly intervals** for the purpose of conducting walk-through inspections of all maintained facilities.

Additionally, the Contractor's superintendent shall attend monthly status meetings at City Hall, field tours, and Tweedy Mile Association meetings unless directed otherwise.

In addition, the Director or his designated representative shall inspect the maintained facilities at random intervals while work is being performed and at the completion of required work to not discrepancies. Discrepancies will be noted

and the responsible party shall eliminate any problems immediately.

**Section 8**      **Schedule**

The Contractor shall note the specific days and/or periods have been established in these Special Provisions for the completion/performance of some items of work described herein.

Prior to commencement of work, the Contractor shall be required to submit to the Director or his assignee for approval, a schedule indicating the time/day/month proposed for performance of those items of work which are unspecified.

Failure to perform the work on the specified day and/or time shall result in the deduction and forfeit of five hundred dollars (**\$500**) from payments to the Contractor for **every calendar day** the schedule is not followed unless otherwise provided.

Requests to change the schedule shall be filed with the Director, or his assignee, **at least 72-hours** prior to the scheduled time for the work. Requests to change the schedule shall be made by telephone and directed to the Director, or his assignee, and followed in writing unless otherwise provided. All requests to change the schedule shall be subject to the approval of the Director, or his assignee. Therefore, the Contractor shall not implement any schedule changes until receipt of verbal or written notification from the Director, or his assignee that the requested change has been approved.

Failure to notify of a change and/or failure to perform an item of work on a scheduled day may result in deduction of payment for that date, or work, even though the work is performed on a subsequent day.

The Contractor shall adjust his schedule to compensate for all holidays in such a manner that all work required to be performed on that day shall be performed on either the day before the holiday or on the day after the holiday as determined in the Director, or his assignee.

**Section 9**      **Performance on Schedule**

Failure to complete the work as scheduled may result in the following actions:

- A) The sum of five hundred dollars (**\$500**) per calendar day will be deducted and forfeited from payments to the Contractor for each instance where an item of work is not completed in accordance with the schedule or specifications.
- B) An additional amount equal to the costs incurred by completion of the work by an alternate source, whether it is City forces or private Contractor, even if it exceeds the contract unit price will be deducted.

- C) These actions shall not be constructed as a penalty but as adjustment to payment for only the work actually performed or as cost to the City for inspection and other related costs from the failure of the Contractor to perform the work according to schedule.

**Section 10 Notification**

The Contractor shall inform the property owners and David Torres (323) 563-5784 at least 72-hours before performing work impacting businesses and property owners, such as, steam cleaning, sweeping. The notification to the City may be done by email to David Torres at [dtorres@sogate.org](mailto:dtorres@sogate.org) or by fax to (323) 582-3106.

Notifications to business owners and property owners shall be done through the distribution of City pre-approved flyers to be distributed by the Contractor.

The Contractor shall take immediate action to resolve any complaints or requests due to unsatisfactory performance as soon as the Contractor is notified both verbally and/or in writing.

The Contractor shall complete corrective action within the following periods subsequent to verbal notification:

- A) All deficiencies, excluding minor irrigation repairs like replacing irrigation heads, within three (3) working days.
- B) Irrigation repairs will be subject to approval by the City upon submittal by the Contractor of a cost estimate and an itemization of repair items. Authorized repairs must be started within three (3) working days from approval.

The City reserves the right to hire outside parties to perform major irrigation repairs exceeding \$1,000

**Section 11 Reports/Monthly Meeting**

At the end of each month, the Contractor shall submit to the Director or designee, a detailed summary of all work accomplished which is other than that normally scheduled, along with the request for payment.

The Contractor shall attend a monthly Tweedy Business Mile Association meeting. In addition, the contractor shall meet with the City Staff at least once a month or as directed by the Director of Public Works. The exact schedule of the meeting will be provided to the Contractor after the award of the contract.

Once a month and with the submittal of the monthly invoice for services, the Contractor shall submit a monthly report to the City describing all the work completed during the past month.

**Section 12**    **Traffic Controls**

The Contractor shall provide and display all safety devices and traffic controls at all times when working in the public right-of-way. All Contractors' employees shall be attired in approved safety gear at all times and traffic control shall be as outlined in the "Work Area Traffic Control Handbook, and/or the MUTCD." Failure to do so will result in an immediate shutdown of activity by the City. Any work not accomplished as a result of the shutdown shall be performed at another time with proper safety devices at no additional expense to the City.

Contractor shall use electronic arrow and message boards whenever doing work on a major arterial, collector street, or thoroughfare.

**Section 13**    **Contractor's Personnel**

Each of the Contractor's working crews shall have a responsible leadman who may represent the Contractor to discuss the work in English with the Director, or his designate representative, at all times. All personnel must wear an ID tag, and shall wear a uniform where the company's name and logo is affixed. All Contractors' truck and equipment shall have a company logo and number affixed to it.

**Section 14**    **Irrigation System Operations**

Irrigation shall be maintained to ensure all landscaping is provided with sufficient irrigation water to promote and maintain a healthy appearance and condition at all times.

The entire irrigation system including all components from connection at meters shall be maintained in an operational state at all times. This coverage applies to all controllers and remote control valves, gate valves and backflow devices, main and lateral lines, sprinkler heads, moisture sensing devices and all drip irrigation system components.

The watering schedule will be established by the Contractor's Landscape Maintenance Supervisor. Application rates will be based on the amount of water the planted areas are capable of receiving without excessive runoff. The Contractor shall monitor the requirements of the plant material, soil conditions, seasonal temperature variations, wind conditions and rainfall and shall make appropriate changes in duration of watering cycles. The site(s) is equipped with an automatic system which provides for repeat cyclers to allow for water application over shorter periods of time that will allow for proper infiltration and thereby minimize runoff.

All irrigation shall be accomplished in accordance with the following periods:

- A)    Automatic Systems Operation            10:00 p.m. – 6:00 a.m.



- B) Manual Irrigation 9:00 a.m. – 3:00 p.m.

Special watering required during daytime hours such as after fertilization, during periods of extreme dryness or heat, and during manual irrigation cycles shall be conducted in accordance with the following criteria:

- A) There shall be minimal drift onto private property caused from wind.
- B) There shall be irrigation personnel present at all times at each location until watering cycle is completed.

All damages resulting from under or over watering shall be repaired at the Contractor's expense.

**Section 15 Irrigation System Maintenance/Repair**

All irrigation systems shall be tested and inspected a minimum of twice a month. A status report is required to be submitted at the end of each month. A schedule shall be submitted at the start of the contract showing the location, day of week and time of day that each system will be tested. Any changes shall be submitted for approval prior to enactment.

The Contractor will adjust or clean all sprinkler heads, quick couplers, and valves to continue operation at maximum efficiency and performance.

All systems shall be adjusted in order to:

- A) Provide adequate coverage of all landscape areas
- B) Prevent excessive runoff and/or erosion
- C) Prevent watering roadways and facilities such as walkways, fences, private property and parking areas.

In addition to required testing, all irrigation systems shall be tested and inspected as necessary when damage is suspected, observed or reported.

All sprinkler heads shall be kept clear of over growth which may obstruct maximum operation. Contractor to replace all damaged and non-operational sprinkler heads.

All irrigation control valve strainers shall be inspected and cleaned a minimum of once per week.

All drip irrigation system emitters shall be cleaned and emitter flow checked a

minimum of once per week.

All irrigation system lateral lines shall be flushed a minimum of once every third month.

All backflow prevention devices shall be inspected for damage and leaks weekly. Any discrepancies shall be reported to the Director, or his assignee, immediately.

**Section 16**    **Shrub Pruning/Maintenance**

All shrubbery shall be pruned, shaped and thinned a minimum of three per year, once in late **April**, late **August** and early **January**, for safety, removal of broken or diseased branches, general containment and/or appearance.

All shrubs shall be trimmed to maintain vertical, horizontal clearance along walkways, parking areas and medians to prevent encroachment onto private property, to prevent obstruction of visibility of traffic signals and all signs and to prevent obstruction of sight distance for drivers entering/existing driveways from roadways, alleys or adjacent private property.

Prune shrubs to retain as much of the natural informal appearance as possible, consistent with intended use. Coordinate with the Director or his assignee.

Shrubs used as formal hedges or screens shall be pruned as required to present a neat appearance without a sheared appearance.

Remove any spent blossoms or dead flower stocks as required to present a neat clean appearance.

All leaves shall be raked from under the shrubs **twice each month** as needed.

All trimmings and debris shall be removed and disposed of offsite at the end of each day's work.

**Section 17**    **Pruning Procedures:**

All cuts shall be made sufficiently close, flush if possible, to the parent stem so that healing can readily start under normal conditions.

All limbs 1" or greater in diameter shall be under cut to prevent splitting.

All equipment utilized shall be clean, sharp and expressly designed for tree pruning.

Fertilization shall be scheduled **every six (6) months** to keep shrubs in a healthy and desirable condition. The Contractor shall use a well-balanced fertilizer.

**Section 18**    **Vines**

Vines and espalier plants shall be checked and retied as required. Secure vines with appropriate ties to promote directional growth on supports.

Do not use nails to secure vines on masonry walls.

Deep-water vines in pockets not provided with sprinklers as required to promote optimum growth.

The fertilization schedule of all vines shall be concurrent with fertilization of shrubs.

Vines shall be kept trimmed back from all signs, irrigation controllers and not allowed to grow up trees and into shrubs. Vines shall be trimmed to retain as much of the natural informal appearance as possible, consistent with the intended use which is to cover walls.

**Section 19**    **Groundcover**

Groundcover areas shall be maintained in a manner which will promote the healthy growth of the plant material in a somewhat natural state while removing weed infestations.

All groundcover shall be trimmed to restrict growth from sidewalks, trees, shrubs, behind curbs, around sprinkler heads, and from private property at all times.

A regular program of pre-emergent chemical application shall be used to control weed growth supplemented by hand removal of noxious weeds or grasses as required.

Weeds and grasses shall be removed from all planted areas upon emergence and not later than the next scheduled working day.

All bare soil areas shall be cultivated a minimum of **once per month**.

All paper or litter that accumulates in groundcover shall be picked as needed to be in compliance with the City's zero tolerance policy of maintaining the areas within District No 1 in an impeccable condition.

All groundcover areas shall be fertilized every **ninety (90) days** to promote a healthy appearance.

**Section 20**    **Turf**

Mow all turf areas weekly, if necessary, to maintain the specified height, with clippings mechanically collected and the borders neatly trimmed. Trim around

trees, rocks, valve boxes and other items located in the turf area keeping grass below weekly mowing height using a weed eater/line trimmer. The use of a line trimmer is not an acceptable substitute for an edger along paving, concrete walks and mow strips. The use of herbicides within the turf area as a means of trimming edges or around irrigation heads is not acceptable. Turf areas shall be mowed in accordance with acceptable horticultural standards. At no time shall more than 1/3 of the height of the grass be removed in any single mowing.

Irrigate as necessary to maintain proper growth rate and optimum appearance. The City shall approve all irrigation time cycles and shall be notified of any necessary changes 72-hours prior to any changes.

Maintain turf areas in a weed-free condition. For chemical control of broadleaf weeds, use of an approved selective herbicide shall be initiated on an as needed basis to maintain a weed-free condition. The Contractor shall supply the Engineer or assignee a written notice prior to any application of herbicide, pesticide or any other chemical within any work area containing potable water well or storage reservoir.

The Contractor shall NOT apply said chemicals prior to receiving a written approval for chemical work in these areas.

Contractor shall replace, at his own expense, all portions of dead turf, or turf showing signs of deterioration and change of color. Exceptions in this area are per written approval under drought condition and/or state mandates.

**Section 21**     **Fertilization:**

- A) Fertilize four (4) times annually with "Best" Turf Supreme 16-6-8 controlled release fertilizer or an approved equivalent, using two (2) pounds actual nitrogen per one thousand (1000) square feet, in March, June, October and December.
- B) Obtain written approval from Director prior to commencing with the application of fertilizer.

Control pests, including rodents, snails and diseases continuously to provide a healthy environment for plants and the public. This is to be done on a continuous basis with baits placed daily, if necessary.

Level, roll and reseed turf as needed to remediate any damage due to mechanical equipment. Maintain a level surface and fill in any bare areas.

All turf areas shall be mechanically aerated twice a year, or as needed. Aeration shall be done to a depth of not less than four (4) inches and shall be done immediately prior to the **March** and **October** fertilization. Prior to aeration, all irrigation heads and any other items, which could sustain damage during aeration, shall be flagged and any necessary precautions shall be taken to ensure that

irrigation, or similar equipment, is not damaged.

**All landscape areas in close proximity to City potable water wells or storage reservoirs require special care by the Contractor to prevent the contamination by pesticides, herbicides or fertilizers. Any contamination of the above-mentioned water sources resulting from the negligence of the Contractor shall be cleaned to City and State Health Department standards at the Contractor's sole expense, and no additional compensation shall be allowed therefore.**

**Section 22 Tree, Shrub, Vine and Groundcover Replacement**

The Contractor shall replace, at his expense, any shrubs or plants which die due to the Contractor's negligence or neglect. Size of replacement shrubs shall be equal to existing unless otherwise determined by the Director or his designated representative.

**Section 23 Weed, Pest and Disease Control**

The planters, beds, tree wells and areas of all landscaping shall be kept clear and free of all weeds, pests, insects and diseases at all times. Pests include, but are not limited to, gophers, snails, slugs, rabbits, squirrels and other rodents or pests which might cause harm or damage to the landscaping. Methods and materials used to accomplish this objective are subject to approval by the Director, or his designated representative prior to application. The Contractor is to possess all written recommendations, licenses, certificates and permits required by the State of California to handle and apply chemicals. A copy of said, written recommendation, licenses, certificates or permits shall be sent to the City of South Gate Director or his assignee.

Non-restricted chemicals shall be used wherever possible to perform weed and pest control. All methods employed to perform Rodent/Pest Control shall conform to all federal, state and county environmental regulations.

**Section 24 General Facility Maintenance**

Trash receptacles shall be emptied a minimum of **four (4) times per week on Mondays, Wednesdays, Fridays and Sundays or as needed to ensure that receptacles are not overflowing, EXCEPT FOR TRASH RECEPTACLES ON TWEEDY BLVD, WHICH MUST BE SERVICED AND EMPTIED DAILY**, early in the mornings. Concurrent with each trash pick-ups, the Contractor shall wash the exterior of trash receptacles and their lids. Interior buckets of trash receptacles shall be washed monthly during the first week of each month. The Contractor shall provide plastic liners for all City provided trash receptacles at the Contractor's expense. Contractor shall empty trash receptacles before, once during, and after special events which occur twice a year.

All trash and debris shall be removed from tree wells, rest areas, planters and medians on **Mondays, Wednesdays, Fridays and Sundays.**

The Contractor shall remove all trash and debris from planted areas of parking lots, planters and other hardscape areas, and clean all the areas from edge of planted area curb to a distance of twenty-four (24) inches from curbs to remove all trash and debris a **minimum of four (4) times per week, on Mondays, Wednesdays, Fridays and Sundays between the hours of 5:00 a.m. and 8:00 a.m. only.**

All clippings and any other debris generated by the Contractor's activities shall be removed and disposed of offsite at the end of each workday, or upon the completion of the Contractor's daily operations, whichever occurs first. The Contractor shall not sweep trash or debris into the streets and allow it to remain there for pickup by City street sweepers. Dust or nuisance conditions occasioned by Contractor's work will not be tolerated and shall be alleviated immediately.

In addition to the above, the Contractor shall be required to **perform three (3) special cleanups per year or as instructed by the Director of Public Works or assignee.** One special cleanup shall be required for the **Street Fair.** The other special cleanup shall be required for the **Christmas Parade.** The third shall special clean-up shall be as required due a special City Event. The Contractor shall be required to perform all items of work described in Section 9 on **the day before each event, on the day of each event, and on the day after each event.**

The Contractor shall not be allowed to alter the regular Monday, Wednesday, Friday, and Sunday schedule specified herein for each item of work, but shall be required to perform these items of work on consecutive days if necessary to comply with these contract requirements. The Director, or his assignee, shall notify the Contractor in writing a minimum of thirty (30) calendar days prior to the scheduled day of each event. Performance of the three required special cleanups shall not be paid as extra work, but shall be included in the Contractor's final sum quoted price for General Facilities Maintenance and no additional compensation shall be allowed therefore.

All green waste generated by the landscape maintenance of any City-owned property, by the Contractor, shall be reported to the City and disposed of at a recycling facility designated by the City that has composting capabilities and is approved by the Director of Public Works, or his assignee. The City shall receive credit of all recycled green waste.

## **Section 25 Steam Cleaning**

**Location:** All public sidewalks, bus benches and hardscape areas within the Tweedy and Hollydale Business District areas, around the Azalea Shopping Center and on Atlantic Sidewalks

**Frequency:** Bus stops, shall require a minimum of twice per month  
For sidewalks , shall require once per week

**Task Description:**

The Contractor shall thoroughly remove all gums and stain by steam clean and any other means from all sidewalks, walkways, and paved areas, **ON A WEEKLY BASIS** preferably on Mondays, to the satisfaction of the Director of Public Works or assignee. The Contractor shall use Best Management Practices (BMP's) as approved in the most current edition of the National Pollutant Elimination System (NPDES) Municipal Stormwater and Urban Runoff permit to reduce and amount of pollutant to be discharged to the storm drain system.

**Sample BMP:**

- Vacuuming the runoff before entering the catch basin by vacuum truck.
- Retention debris with a waddle or filter prior to entering the catch basin and debris shall be picked up and disposed of properly.

**Section 26 Trash Pickup on Century Boulevard**

Trash pickup shall occur once a week and application of provision in Section 25 shall apply.

**Section 26A Special Events in Tweedy Boulevard**

Refer to Exhibit A1B for details of maintenance work.

**Section 27 ENFORCEMENT OF STANDARDS**

Contractor shall strictly adhere to the standards set forth in this section and these specifications.

1. **Contractor to assign a staff member to drive through the maintenance areas DAILY, to insure that all areas are kept clean and in an impeccable condition.**

Failure by the Contractor to inspect areas daily will compel the City to perform that duty by hiring a third party. The cost to the City of providing this task will be deducted from any payments to Contractor.

2. **All areas under this maintenance district shall be free from weeds, trash, deleterious materials, illegally dumped items, dying plants, unsightly plant material, chewing gum, spilled paint.**

**The City of South Gate has a zero tolerance policy for all items listed above in**

this sub-section. Contractor must immediately notify the City of any items, except the ones listed above, abandoned in the maintenance district areas.

## **B. MAINTENANCE STANDARDS**

### **1. Alameda Sound Wall**

Alameda sound wall planter shall be maintained and trimmed in straight and neat horizontal and vertical planes, and shall not grow more or protrude than 30 inches from the soundwall. All "dead" areas shall be reported to the City and planted with similar plants. Failure by the Contractor to keep this site in excellent condition will compel the City to maintain it and charge the Contractor time and material (not less than \$500 per occurrence)

### **2. Medians and Parking Lots**

All medians and parking lots must have an impeccable appearance at all times. Dead plants must be removed immediately and replaced within 48 hours. In the event the Contractor fails to replace the dead plants in the time prescribed above then the City will proceed with the replacement, and will charge the Contractor time and material for the replacement, and shall deduct the charges (minimum \$500 per occurrence) from future payments to the Contractor. All trash, weeds, and other materials must be removed from the medians and parking lots immediately. Failure to comply with this requirement will compel the City to complete the cleanup and charge the Contractor for time and material.(Not less than \$250 per occurrence). Such charges to be deducted from future payments owed the Contractor.

### **3. Well Site Landscape Maintenance**

At all well sites included in this contract must have trees, hedges and ivy trimmed inside and outside. All trash picked up and all areas blown inside and out of perimeter fencing on a weekly basis. Weed abatement will be accomplished by trimming, no weed killing chemicals are to be used in area surrounding the potable water well sites. West Side Reservoir, Well 26, and Well 27 sites have exterior landscaping on Tweedy and Nebraska, in front and back. City pump operators will accompany the landscapers to open gates, disarm the video alarm systems and secure the sites.

### **4. Trash Receptacles**

All trash receptacles under this contract shall be emptied per the schedule in these specifications, and whenever full, as reported by the Contractor's staff assigned to monitor the maintenance areas within District No 1. Contractor shall immediately empty trash receptacles when notified or as reported by the Contractor's staff assigned to monitor all sites. Failure to empty the trash receptacles when full will result in City crews completing the work. The cost of City time and material will be charged to the Contractor (not less than \$250 per occurrence)



##### 5. City Staff Oversight

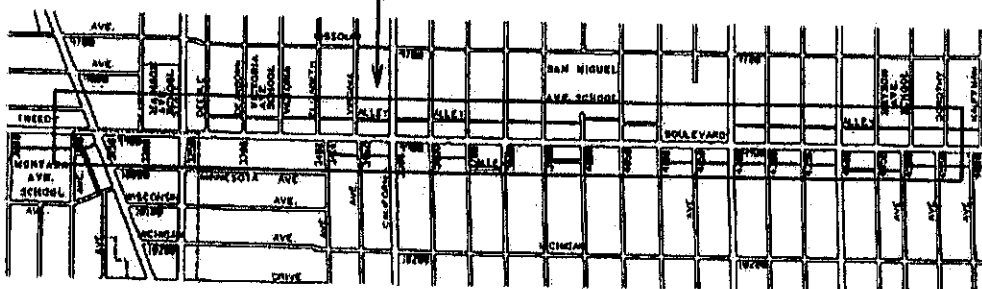
Public Works Maintenance Division personnel shall monitor all regularly scheduled maintenance duties like steam cleaning operations and approve or disapprove the final product, immediately upon completion of the operations. The Public Works Maintenance Superintendent may at his discretion require a written report from staff certifying that all duties were performed according to the contract specifications.

**EXHIBITS A1 THROUGH A12**

**LOCATION MAPS AND TASK DESCRIPTIONS**

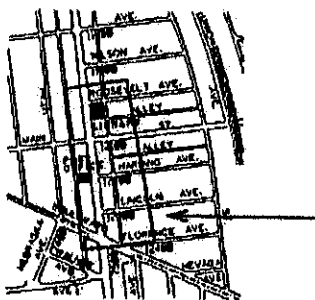
## EXHIBIT A1- TWEEDY AND HOLLYDALE DISTRICT

### I. TWEEDY MAINTENANCE DISTRICT



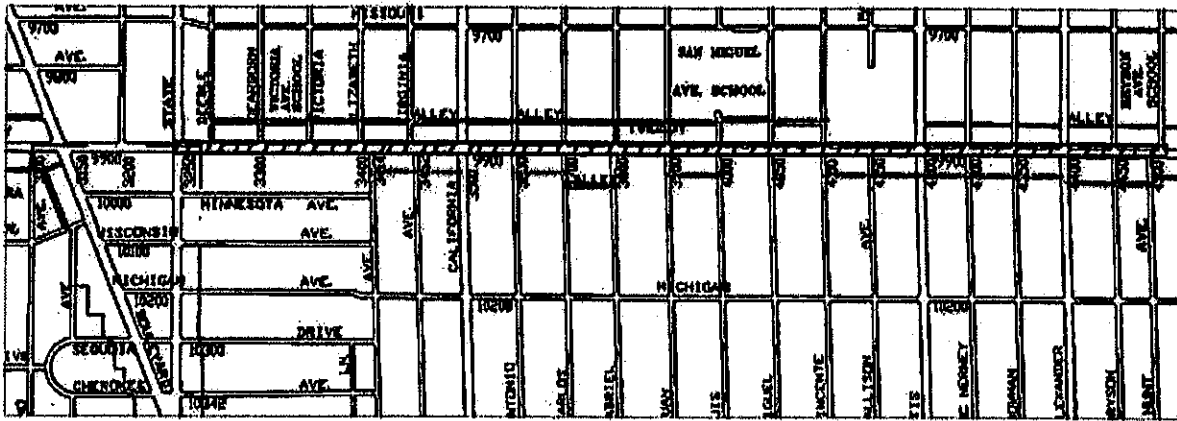
- Hollydale District**
1. Maintain landscaped medians and public parking lots
  2. Pick up trash from sidewalks and medians
  3. Steam clean sidewalk and bus stop benches
  4. Empty trash from receptacles and replace trash bags on Mondays, Wednesdays, Fridays, and Sundays.
  5. Perform all work required in the project specifications
  6. Visit and inspect site daily and report conditions to the City Project Manager.

### II. HOLLYDALE DISTRICT GARFIELD AVE FROM ROOSEVELT TO FLORENCE AVE



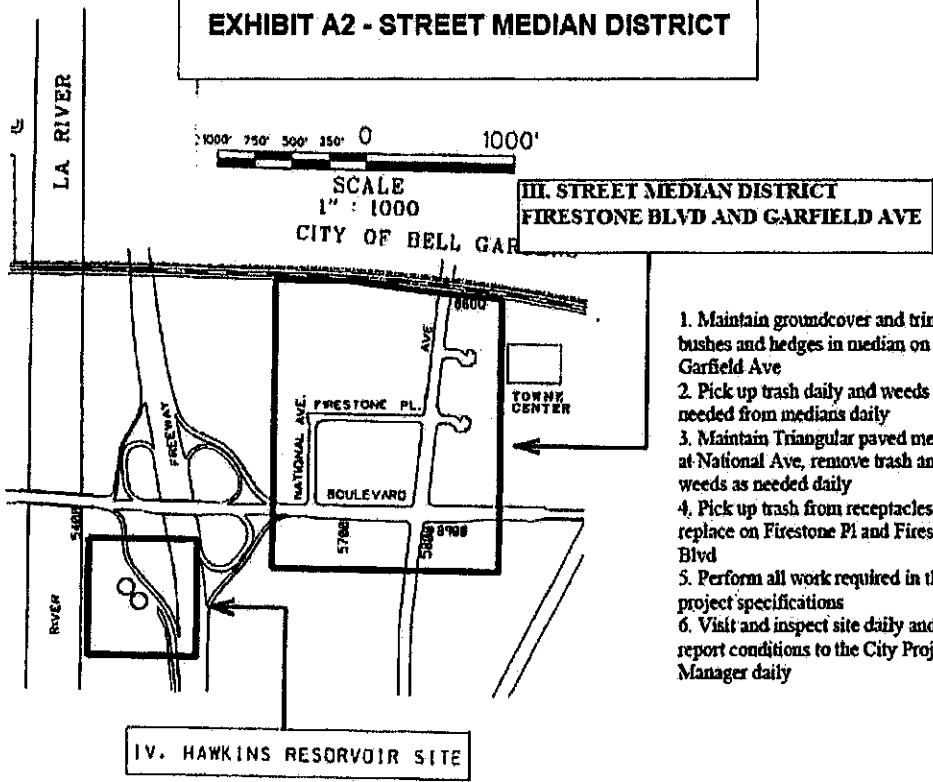
- Tweedy District**
1. Empty trash receptacles, replace trash bags Mondays, Wednesdays, Fridays, and Sundays per exhibit
  2. Steam cleaning of bus benches twice a month
  3. Steam cleaning of sidewalks, walkways and paved areas once a week
  4. Pick up trash and weeds from medians, public places and parking lots.
  5. Perform all work required in the project specifications
  6. Visit and inspect site daily and report conditions to the City Project Manager.

## EXHIBIT A1B - SPECIAL EVENTS IN TWEEDY BLVD



- 1) Two Special events occur in Tweedy Boulevard, from Hunt to Long Beach Blvd: 1) Street Fare ( 2 Days); and 2) Christmas Parade (2 Days). Contractor shall pickup trash in Tweedy Blvd. and two neighboring alleys on the north and south sides one time a day. Also, Sweep and pressure wash sidewalks, steam clean benches in Tweedy Blvd., on the day before and day after within the above limits.
- 2) One Special event occur on Tweedy Boulevard from State Street to California The events takes place during the evening from 3:00 pm in the late afternoon to 8:00PM IN the evening 1) Posada (1Day); Contractor shall pick up trash on Tweedy Boulevard. Also, Sweep and pressure wash sidewalks, steam clean benches on Tweedy Boulevard on the day before and day after the within the above limits.
- 3) Bid price(s) shall be per event.

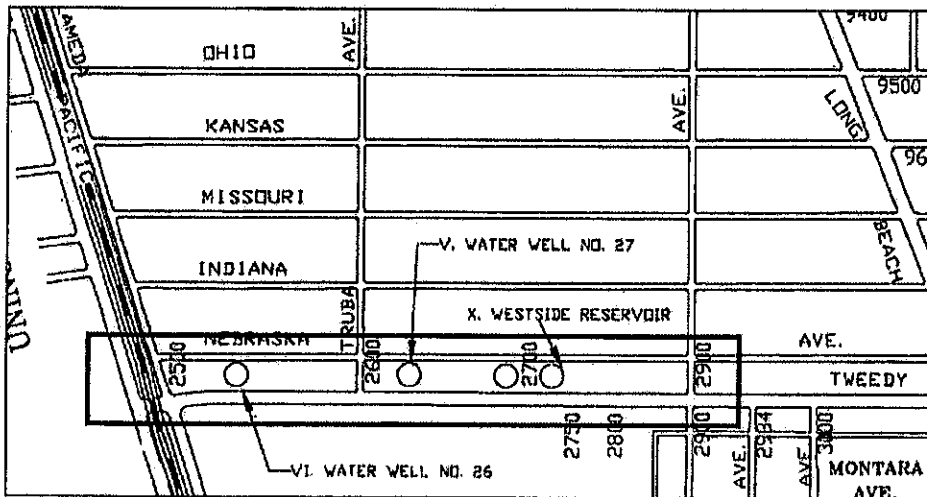
**EXHIBIT A2 - STREET MEDIAN DISTRICT**



1. Maintain groundcover and trim bushes and hedges in median on Garfield Ave
2. Pick up trash daily and weeds as needed from medians daily
3. Maintain Triangular paved median at National Ave, remove trash and weeds as needed daily
4. Pick up trash from receptacles; and replace on Firestone Pl and Firestone Blvd
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily

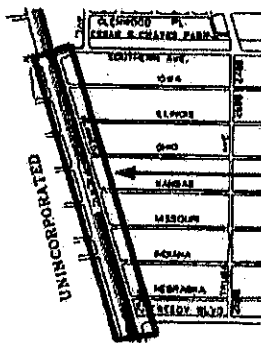
A-22

**EXHIBIT A3 - WELL SITES 26, 27 AND WESTSIDE RESERVOIR**



1. Remove all weeds biweekly
2. Weekly inspections and reports of condition of sites.
3. Remove all trash and debris from site daily

**EXHIBIT A4 - ALAMEDA WALL AND FIRESTONE MEDIAN**



**XI. MEDIAN ON FIRESTONE EAST OF ALAMEDA**

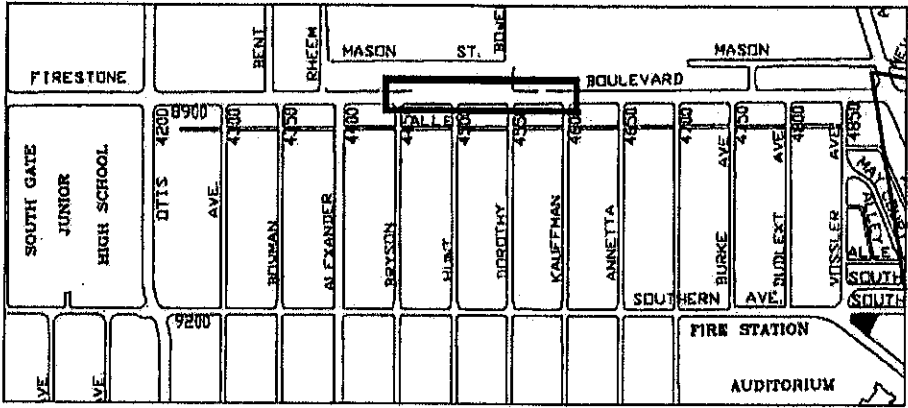


1. Maintain landscaped median
2. Remove dead vegetation as needed
3. Maintain hedges in good condition and trim to straight lines weekly
4. Remove debris and trash from median and adjacent area daily
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily.

**XI. ALAMEDA SOUND WALL TWEEDY BLVD TO SOUTHERN AVE.**

1. Maintain and trim vine along a straight line 30" from sound wall as needed
2. Trim hedges in planters along rectangular straight lines as needed
3. Remove dead vegetation as needed
4. Perform all work required in the project specifications
5. Visit and inspect site daily and report conditions to the City Project Manager.

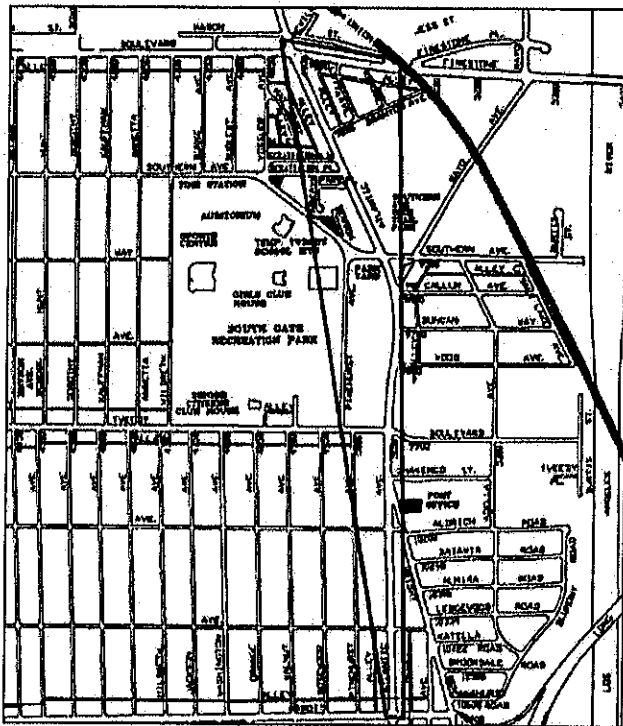
**EXHIBIT A5 - FIRESTONE MEDIAN FROM KAUFFMAN AVE TO BRYSON AVE**



1. Trim hedges, landscaping and ground cover on a biweekly basis
2. Remove debris and trash from median, sidewalk and paved areas daily
3. Perform all work required in the project specifications
4. Visit and inspect site daily and report conditions to the City Project Manager daily.

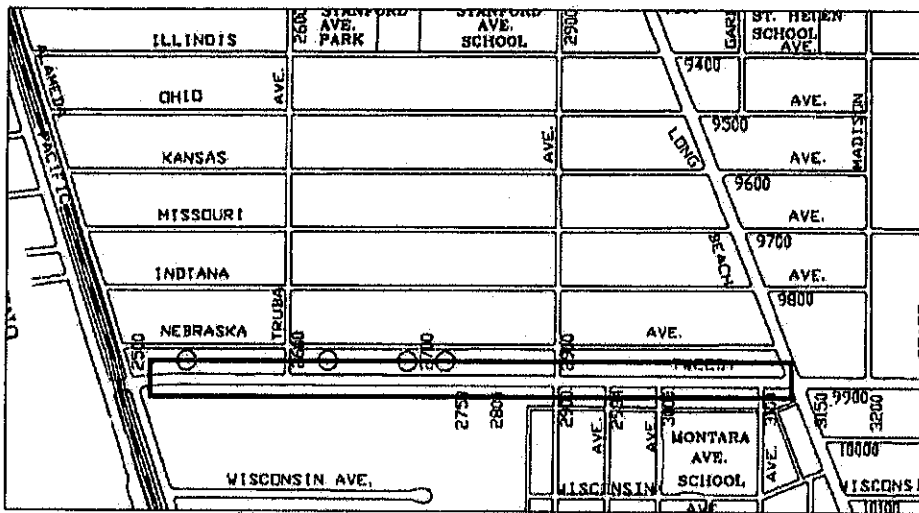


**EXHIBIT A6 - ATLANTIC AVE MEDIAN FROM FIRESTONE TO ABBOTT ROAD**



1. Remove trash and debris from medians and public areas daily.
2. Remove weeds from median and public places on an as needed basis
3. Maintain ground cover, and flower beds on an as needed basis
4. Steam clean median hardscape areas and public areas once a month.
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to City Project Manager daily.

**EXHIBIT A7 - TWEEDY MEDIAN BETWEEN LONG BEACH BLVD AND ALAMEDA ST**

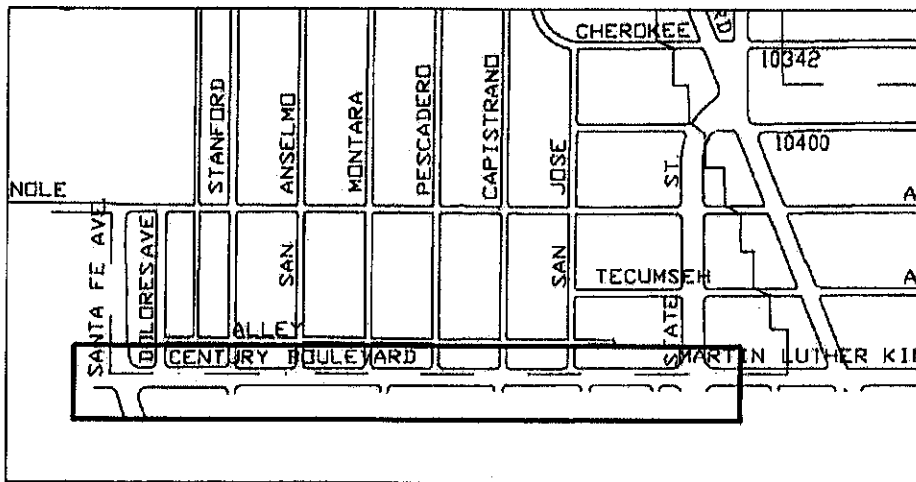


1. Pick up trash debris daily from medians, sidewalks, and paved areas
2. Pick up weeds on an as needed basis
3. Empty trash receptacles on Mondays, Tuesdays, Wednesdays, and Fridays on Tweedy
3. Maintain landscaping and ground cover on an as needed basis
4. Steam clean hardscaped areas, sidewalks, and paved areas once a month
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily.

A-27

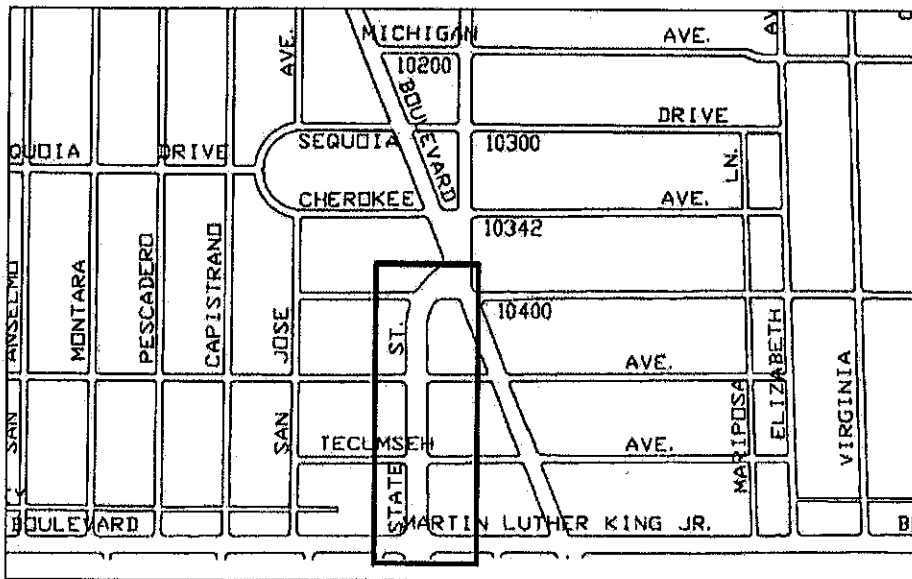


**EXHIBIT A9 - CENTURY BLVD FROM STATE STREET TO SANTA FE AVE**



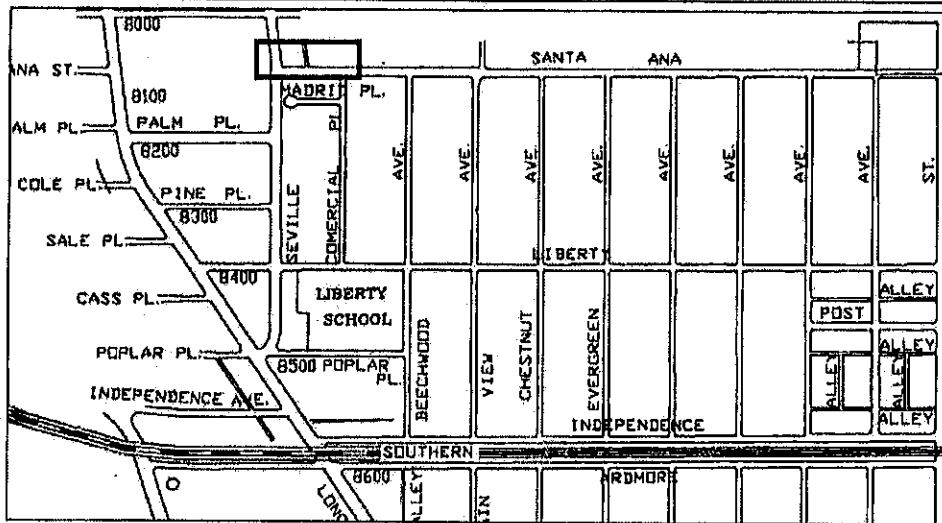
1. Remove trash bags and replace with new once a week
2. Clear debris and trash from public areas
3. Perform all work required in the project specifications
4. Visit and inspect site daily and report conditions to City Project Manager daily

**EXHIBIT A10- STATE STREET BETWEEN LONG BEACH BLVD AND MARTIN LUTHER KING JR BLVD**



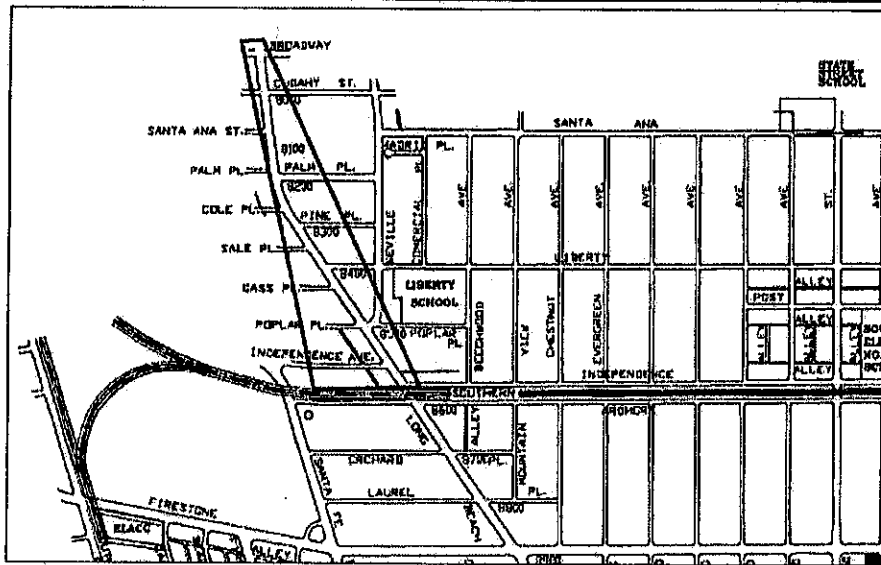
1. Mow turf once a week on 20' wide median on State Street between Long Beach Blvd and Martin Luther King Blvd
2. Remove pine needles from median island, public areas and sidewalks
3. Insure sprinklers are functional and provide full coverage
4. Replace dead portions of turf
5. Apply required fertilizer and aeration as necessary to keep turf lush green and in a healthy condition
6. Remove weeds, gum, dirt, graffiti, and USA markings from median at Long Beach Blvd and State St

**EXHIBIT A11 - SANTA ANA STREET AT SEVILLE AVE**

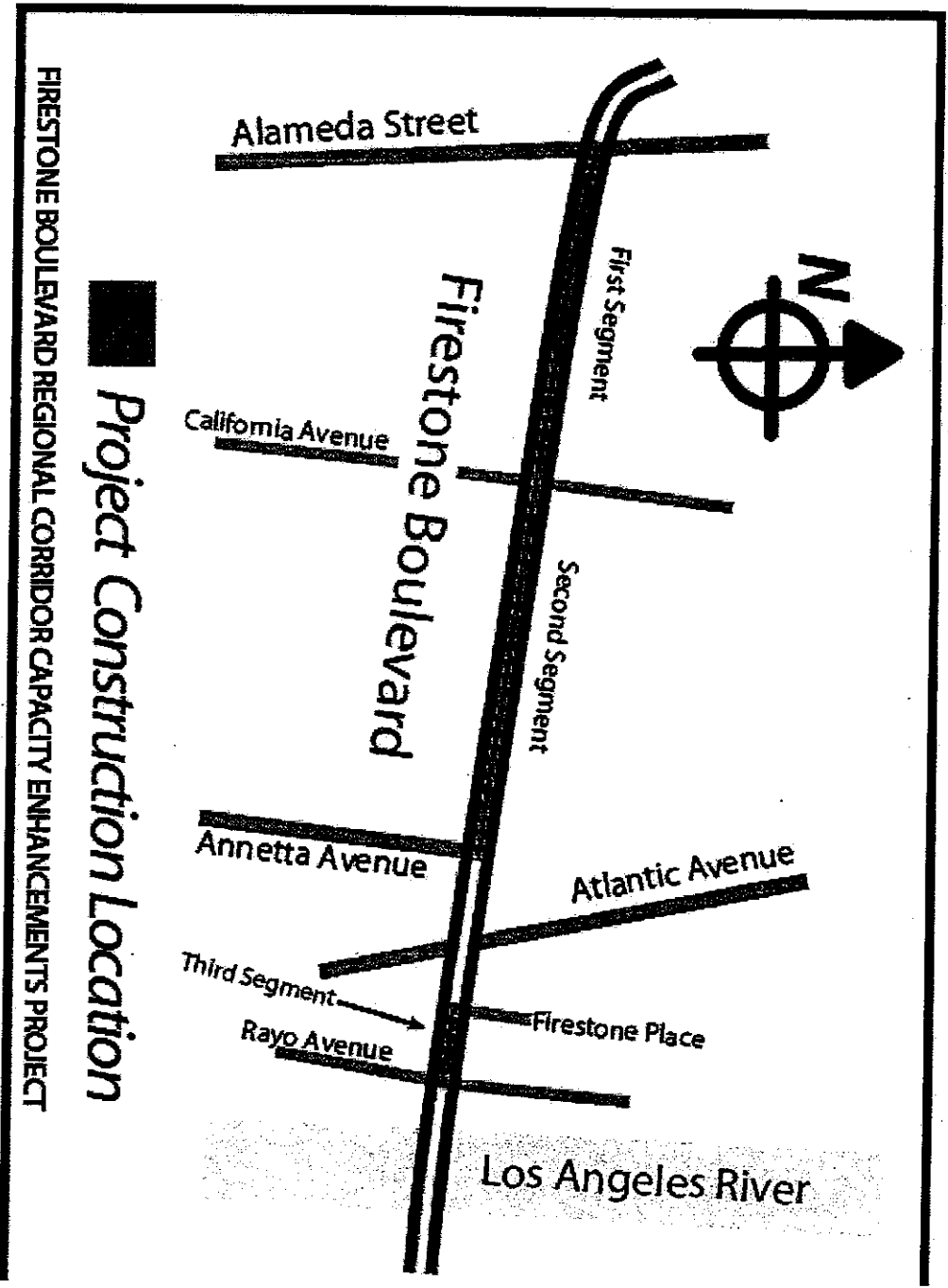


1. Keep wall on south side of Santa Ana clean of graffiti
2. Replace trash receptacles at southeast corner of Seville and Santa Ana
3. Remove debris, gum, and USA markings from intersection

**EXHIBIT A12 - LONG BEACH BLVD FROM PALM PLACE TO NORTH CITY LIMITS**



1. Replace trash receptacles on Mondays, Tuesdays, Wednesdays and Fridays
2. Steam clean and remove gum, animal feces, USA markings and weeds from public streets, sidewalks and paved areas
3. Steam clean benches and bus stops once a month



FIRESTONE BOULEVARD REGIONAL CORRIDOR CAPACITY ENHANCEMENTS PROJECT

■ Project Construction Location

Firestone Boulevard

Alameda Street

California Avenue

Annetta Avenue

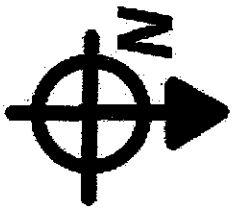
Atlantic Avenue

Third Segment

Rayo Avenue

Firestone Place

Los Angeles River





**AGREEMENT FOR MAINTENANCE SERVICES**

THIS AGREEMENT FOR MAINTENANCE SERVICES (this "Agreement") is entered into as of January 23, 2018 by and between the City of South Gate, a Municipal corporation (the "City") and Parkwood Landscape Maintenance Inc., a California Corporation ("Contractor"), with reference to the following facts:

**RECITALS**

A. City is the owner of certain facilities more particularly identified in this Agreement below and in the Exhibits attached hereto.

B. Contractor has represented and does hereby represent to the City that Contractor has the requisite skills, knowledge, qualifications, manpower and expertise to maintain those facilities, and Contractor does hereby offer to perform maintenance services with respect thereto, as more particularly identified below in this Agreement and in the Exhibits attached hereto.

C. The City is willing to accept that offer, subject to the terms and conditions of this Agreement.

Now, therefore, the City and Contractor hereby agree as follows:

**AGREEMENT**

1. **Engagement and Scope of Work.** The City hereby engages the Contractor, and the Contractor accepts such engagement, to perform the maintenance services ("Work") identified on Exhibit "A" hereto. The locations at which such Work is to be performed ("City Facilities") are also identified on Exhibit "A" hereto. The Work shall include all the terms and conditions of Contractor's proposal dated December 4, 2017 ("Proposal"), which shall be attached as part of Exhibit "B" and which is incorporated herein by this reference; provided, however, that to the extent the Proposal conflicts with anything else in this Agreement, the terms of this Agreement shall control.

2. **Compensation Payable by City to Contractor.** The maximum amount of compensation to be paid to Contractor hereunder shall not exceed Eight Hundred Six and Eighty Two Dollars (\$806,082), which shall be full compensation for the Work. A more detailed description of the compensation payable to Contractor hereunder, including unit prices, monthly payments, and/or other information, conditions and limitations, is set forth on the Cost Proposal attached hereto as Exhibit "B". Except as may be specifically set forth in Exhibit "B", or approved by the City on a case-by-case basis, Contractor shall not be paid hereunder for any travel time in the performance of the Work. Except as otherwise provided in Exhibit "B", on or before the twentieth (20<sup>th</sup>) day of each calendar month following the commencement of the Work, Contractor shall file its request for payment, accompanied by evidence satisfactory to the City justifying the request for payment, including a report of Work accomplished and tasks completed in the previous month, and an itemization of eligible expenses with copies of receipts and invoices. If, after review by the City, the Work is found to be unacceptable, Contractor, at

its expense, shall expeditiously correct such unacceptable Work. If Contractor fails to correct unacceptable Work, the City may withhold from any payment due an amount that the City reasonably believes will equal the cost of correcting the Work. Subject to the City's right to reject all or any part of the charges set forth in such invoice as provided herein, the City shall pay Contractor the amount of such invoice within thirty (30) days of receipt and approval of such invoice.

3. **Term of Agreement.** The term of this Agreement ("Term") shall commence on February 1, 2018, and shall terminate on January 31, 2021, unless terminated sooner pursuant to the provisions of Sections 9, 10 or 13.2 below. This Agreement shall not be automatically renewed or extended; performance by Contractor of any Work following said termination date shall be prohibited, and Contractor shall not be entitled to compensation therefore, in the absence of a written agreement pertaining to such additional Work executed by the City and Contractor pursuant to Section 20.10.

4. **Commencement of the Work.** The execution and delivery of this Agreement by the City and Contractor does not constitute an authorization for Contractor to proceed with the Work. Contractor shall commence performance of the Work within seven (7) days after the City issues to Contractor a written notice, signed by the City's Director of Public Works ("Director"), instructing Contractor to proceed with the Work. Contractor represents and warrants to the City that Contractor will be able to commence the Work within that time in compliance with all requirements of this Agreement, including without limitation those set forth in Sections 6, 7 and 8 below.

5. **Inspection of Work.** The Director and his designees shall have the right to review and inspect the Work performed by Contractor hereunder at any and all times, with respect to the quality of the Work and Contractor's conformance to the terms of this Agreement, pursuant to the City's established review and approval procedures as the same may be amended from time to time. Without limiting the City's rights under Section 2 above, if the Director or his designee determines as a result of any such inspection that any aspect of the Work is unsatisfactory for any reason (including without limitation failure to meet the performance standards specified in Section 8 below), then Contractor shall promptly correct the Work at no additional cost to the City.

6. **South Gate Business License.** Without limiting the generality of Section 8 below, Contractor shall obtain a City of South Gate business license before performing any Work under this Agreement.

7. **Contractor Must Pay Prevailing Wages to its Employees.** This Agreement is a public works contract. As such, pursuant to regulations established by the California Department of Industrial Relations and codified at 8 CCR §§ 16000 and 16001(f), Contractor's performance hereunder is subject to Contractor's compliance with prevailing wage rate payment requirements under California Labor Code § 1771. Contractor must pay "prevailing wages" to all personnel employed by Contractor who perform any portion of the Work. Information regarding prevailing wage determinations can be found on the Department of Industrial Relations' web site at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. It is Contractor's responsibility to interpret and implement any prevailing wage requirements. Contractor agrees to pay any penalty

or civil damages resulting from a violation of prevailing wage laws with respect to this Agreement. The City advises Contractor to familiarize itself with those laws, including without limitation those set forth at California Labor Code §§ 1720 through 1861, inclusive.

8. **Performance Standards and Requirements.** Contractor shall perform and complete the Work promptly, diligently, and in a manner satisfactory to the City. Contractor shall furnish all equipment, tools, materials, labor and other services necessary to fully and adequately perform the Work, and shall pay all applicable fees and expenses associated therewith. Contractor and its subcontractors shall perform all acts required to complete the Work under this Agreement (i) in a skillful and workmanlike manner, (ii) consistent with the standards generally recognized as being employed by other maintenance companies in the State of California, and (iii) in accordance with all federal state and local laws, regulations and ordinances applicable to the operation of Contractor's business and to its performance of the Work under this Agreement. Contractor warrants that (a) all of its employees and subcontractors shall have sufficient skills and experience to perform those portions of the Work assigned to them, (b) they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, and (c) such licenses, permits, qualifications and approvals shall be maintained throughout the Term of this Agreement.

9. **Independent Contractor.** In performing its duties hereunder, Contractor shall at all times act as an independent contractor. Contractor shall complete the services required of it hereunder according to its own means and methods of work, which shall be in the exclusive charge and control of Contractor and not subject to the control or supervision of the City except as to the results of the work and except as otherwise specifically set forth in this Agreement. In no event shall Contractor have any authority or power under this Agreement to incur any debt, obligation or liability on behalf of the City. Neither Contractor nor its employees are employees of the City, and nothing in this Agreement shall render Contractor an employee, partner, agent of, or joint venturer with the City for any purpose. Neither Contractor nor its employees shall represent themselves as employees of the City. Personnel employed or subcontractors retained by Contractor shall not acquire any rights or status regarding the City. Neither Contractor nor its employees shall have any claim against the City hereunder or otherwise for salary, vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. Contractor is responsible for complying with all obligations of an employer imposed under federal or state law. The City shall not withhold Social Security and Medicare taxes from any payments made to Contractor hereunder, nor shall the City make any such payments on Contractor's behalf. The City shall not make state or federal unemployment contributions on Contractor's behalf or withhold state or federal income tax from Contractor's payments hereunder. Contractor shall pay all applicable taxes related to the performance of services under this Agreement including all federal, state or local income, Social Security, Medicare, and self-employment taxes. Contractor will also pay all unemployment contributions for its employees related to the performance of services under this Agreement. Neither Contractor nor its employees or contractors are eligible to participate in any employee, pension, health, vacation pay, sick pay or other fringe benefit plan of the City. Contractor shall complete and submit to the City an IRS Form W-9 and acknowledges that the City will issue to Contractor an IRS Form 1099 for non-employee compensation for all payments for the Work rendered hereunder. Contractor agrees to indemnify and hold the City harmless from and against any and all liability arising from any failure of

Contractor to pay any income or other tax when due on account of the compensation paid to Contractor by the City hereunder (and Contractor's obligation to indemnify the City under this Section 9 shall survive the expiration or sooner termination of this Agreement).

10. **Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability or other handicap, age, marital/familial status, or status with regard to public assistance. Contractor will take affirmative action to ensure that all employment practices, including those of any subcontractors retained by Contractor to perform services under this Agreement, are free from such discrimination. Such employment practices include but are not limited to hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall include the foregoing non-discrimination provisions in all solicitations or advertisements placed by or on behalf of Contractor for personnel or subcontractors to perform any services under this Agreement. Upon written request, the City shall have right to inspect and have access to all of Contractor's (and its subcontractors') documents, data and books and records for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section 10. Contractor agrees that all applicable provisions of Executive Order No. 11246 shall be incorporated into this Agreement by this reference. A copy of Executive Order No. 11246 is available to Contractor for inspection and on file with the City's Public Works Department.

11. **Contractor's Representations and Warranties.** In addition to the other representations and warranties set forth elsewhere in this Agreement, Contractor hereby represents and warrants to the City as follows:

11.1 **Familiarity with Work.** Contractor has thoroughly investigated and considered the scope of services to be performed hereunder, has carefully considered how that Work should be performed, and understands the circumstances which may restrict or otherwise impact Contractor's performance of the Work under this Agreement.

11.2 **Site Inspection.** Contractor has visited each of the City Facilities where the Work is to be performed and is fully acquainted with the conditions existing at such sites.

11.3 **No Solicitation.** Contractor has not employed or retained any person or entity, other than a bona fide employee working exclusively for Contractor, to solicit or obtain this Agreement.

11.4 **No Fees, Commissions, Gifts or Other Consideration.** Contractor has not paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Contractor, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the execution of this Agreement. Upon such breach or violation of this warranty, the City shall have the right, in its sole discretion, to terminate this Agreement without further liability, or, in the alternative, to deduct from any sums payable hereunder the full amount or value of any such fee, commission, percentage or gift.

11.5 **No Conflict of Interest by City.** Contractor has no knowledge that any officer or employee of the City has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Contractor, and that if any such interest comes to the knowledge of Contractor at any time, a complete written disclosure of such interest will be made to the City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws.

11.6 **No Conflict of Interest by Contractor.** Upon execution of this Agreement, Contractor has no interest, direct or indirect, in any transaction or business entity which would conflict with or in any manner hinder the performance of Work required by this Agreement, nor shall any such interest be acquired during the Term of this Agreement.

12. **Non-Exclusivity.** The City does not warrant to contract-exclusivity with a single contractor to perform the type of maintenance services which Contractor is performing under this Agreement. As such, Contractor may not be the only company providing maintenance services to the City. The City reserves the right to enter into similar contracts with third parties for maintenance services in areas of the City other than the City Facilities identified in Exhibit "A" which are the subject of this Agreement.

13. **No Assignment.** Contractor shall not assign, delegate, or subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the Director, which may be granted, conditioned or withheld by the Director in his sole and absolute discretion. This prohibition shall not apply to subcontracts and subcontractors identified by Contractor to the City in connection with any formal bid documents submitted by Contractor to the City in connection with the City's award of this Agreement to Contractor. Any proposed delegation, assignment or subcontract shall provide a description of the services to be covered, identification of the proposed assignee, delegatee or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegatee or subcontractor shall include both (a) the amount involved, together with Contractor's such cost or price; and (b) a provision requiring that any subsequent modification or amendment shall be subject to the City's prior written consent. Any assignment, delegation or subcontract shall be made in the name of Contractor and shall not bind or purport to bind the City and shall not release Contractor from any obligation under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to Contractor under this Agreement.

14. **Public Employees Retirement System.** Notwithstanding any other local, state or federal policy, rule, regulation, law or ordinance to the contrary, neither Contractor nor any of its employees, agents or subcontractors shall qualify for or become entitled to – and each hereby agrees to waive any claims to – any compensation, benefit or incident of employment by the City, including but not limited to eligibility to enroll in the California Public Employees Retirement System ("PERS") as an employee of the City and entitlement to any contribution to be paid by the City for employer contribution and/or employee contributions for PERS benefits. Without limiting the generality of Section 19 below, if Contractor or any employee, agent or subcontractor of Contractor claims (or is determined by a court of competent jurisdiction or by

PERS) to be eligible for enrollment in PERS as an employee of the City, then Contractor shall indemnify, defend (using counsel acceptable to the City) and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions which would otherwise be the responsibility of the City.

15. **Insurance.** During the Term of this Agreement, Contractor shall at its expense maintain in full force and effect policies of insurance as required by Sections 15.2, 15.3 and 15.4 below and also, if required by the City, policies of insurance as required by Section 15.1 below:

15.1 **Property Damage/Casualty Insurance.** Depending on the nature of the City Facilities which are the subject of this Agreement, the City may require a policy or policies of insurance covering loss or damage thereto, in amounts deemed necessary by the City to cover the full replacement cost of those City Facilities. Said insurance shall provide protection against all perils typically included within the classifications of "all-risk", "fire legal liability", and "personal injury" insurance.

15.2 **Liability Insurance.** Liability, bodily injury, personal injury and property damage insurance with a combined single limit of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the annual aggregate, insuring against any and all liability of the insured with respect to the Contractor's performance of (or failure to perform) its obligations under this Agreement. Each such policy shall be in the form of an Insurance Services Office ("ISO") Commercial General Liability Insurance policy, an ISO Comprehensive General Liability Insurance policy with Broad Form General Liability endorsement, or in any similar, commercially reasonable form. Without limiting the scope of coverage to be provided thereby, all such insurance shall specifically insure Contractor's performance of the indemnity provisions contained in Section 19 below as to liability for injury to or death of persons and injury or damage to property.

15.3 **Worker's Compensation Insurance.** Workers' Compensation Insurance as required by California law. This insurance must include (in the policy itself or by endorsement) a Waiver of the Right of Subrogation for General Liability against the City.

15.4 **Automobile Liability Insurance.** Automobile Liability Insurance, including owned, non-owned and hired vehicles, with at least the following limits of liability: (a) Primary Bodily Injury with limits of at least \$1,000,000 per person, \$2,000,000 per occurrence, and (b) Primary Property Damage of at least \$1,000,000 per occurrence.

15.5 **Qualifications of Insurers.** Each policy shall be issued by an insurance company having a "Best's Rating" of at least A and having a "Financial Size Categories" rating of at least VIII in the most current edition of "Best's Insurance Reports" issued by A.M. Best Company. In addition, each policy shall be issued by an "admitted" insurance company (*i.e.*, one that is qualified and licensed to do business in the State of California).

15.6 **City to be Named as Additional Insured Party.** All policies (other than worker's compensation insurance policies) must include an Additional Insured Endorsement

(CG 20 10 11 85) naming the City and its agents as an additional insured on the applicable insurance coverage with respect to the City's and its agent's interests under this Agreement.

15.7 **Primary Insurance.** Insurance obtained pursuant to this Section 15 shall be primary insurance, and other insurance (if any) maintained by the City shall be excess of Contractor's insurance and shall not contribute with the insurance required hereunder.

15.8 **Blanket Policies.** Any or all policies to be obtained by Contractor hereunder may, at Contractor's option, be provided under a separate policy covering only the items and matters to be insured under this Agreement, or included in one or more blanket policies covering not only those items and matters but also additional property and matters owned or otherwise insured by Contractor. All such combined or blanket policies must, however, comply with each and every provision of this Section 15.

15.9 **Restrictions on Cancellation and Reduction.** Each insurance policy required hereunder shall specify that the insurance company issuing the policy will give the City at least thirty (30) days' written notice prior to the effective date of (a) any cancellation, interruption or lapse of coverage, and (b) any reduction in the amount, type or extent of coverage.

15.10 **Waivers of Subrogation.** The parties release each other from any claims for damage to any person or property, and to the fixtures, personal property, improvements, and alterations thereon, that are caused by or result from risks insured against under any insurance policies carried by Contractor and in force at the time of any such damage. Furthermore, each insurance policy obtained hereunder shall provide that the issuing insurance company waives all rights of recovery by way of subrogation.

15.11 **Verification of Coverage.** Prior to or concurrent with Contractor's execution and delivery of this Agreement, and not later than thirty (30) days prior to the expiration of any insurance policy carried hereunder (with respect to policies which will replace said expiring policies during the Term of this Agreement), Contractor shall deliver to the City original certificates of insurance and amendatory endorsements evidencing and effecting insurance coverage required hereunder. All such certificates and any endorsements pertaining to the insurance coverage required hereunder shall be signed by a person authorized by the insurer to bind coverage on the insurer's behalf, and shall be on forms provided or approved by the City. In no event shall Contractor commence any construction, demolition, grading or other work relative to the Improvements until all evidences of insurance coverage required under this paragraph have been delivered to the City as required hereby. The City shall have the right, at any and all times, to require Contractor to provide the City with complete copies of any and all policies of insurance that Contractor is required to maintain hereunder, and Contractor shall deliver such copies to the City not later than ten (10) days following such request.

15.12 **Form of Policies.** All insurance policies required hereunder shall be in a form acceptable to the City and its agents; and shall include those endorsements which are necessary to extend coverage which is appropriate to the nature of this Agreement.

15.13 **Policy Limits Do Not Limit Contractor's Liability.** The minimum limits of policies of insurance required of Contractor under this Agreement shall in no event limit Contractor's liability under this Agreement.

16. **Termination for Convenience.** The City may terminate this Agreement at any time, with or without cause, upon sending a written notice of termination to Contractor (the "Termination Notice") that specifies a termination date (the "Early Termination Date") at least thirty (30) days after the date of the Termination Notice. Upon receipt of the Termination Notice, Contractor shall acknowledge receipt to the City in writing and take all steps necessary to cease all Work in a reasonable and orderly manner by no later than the Early Termination Date; provided, however, that any Work performed after the Early Termination Date that is reasonably necessary to terminate the Work in an orderly manner must be specifically authorized in writing by the Director prior to its performance and prior to the Early Termination Date. Upon termination by the City, Contractor shall be paid or reimbursed for all Work performed by Contractor under the Agreement up to the Early Termination Date (less all payments previously made), plus ten percent (10%) of the balance that would otherwise be due to Contractor during the remaining Term of this Agreement as reimbursement for profits lost to Contractor by virtue of the City's early termination of this Agreement. In no event shall any amounts paid or reimbursed upon termination of this Agreement exceed the total maximum compensation Specified in Section 2 above.

17. **Notice of Default and Termination for Cause.** If the City delivers written notice to Contractor notifying Contractor that it is in default of one or more of its obligations under this Agreement, specifying the nature of the default, and stating what steps Contractor must take to cure the default ("Default Notice"), and if such default remains uncured within ten (10) days following the City's delivery of the Default Notice, then the City may at any time thereafter immediately terminate this Agreement upon written notice to Contractor. Upon such termination, the City shall pay Contractor an amount equal to the value of the Work satisfactorily performed hereunder as of the date of the Default Notice; provided, however, that the City retains all rights to recover damages incurred by the City as a result of Contractor's default, including without limitation the right of offset against amounts otherwise due to Contractor hereunder, and the rights specified in Section 18 below. Contractor shall have no right to any reimbursement for profit or lost profit. Following such termination, the City may procure, upon such terms and in such manner as the City deems appropriate, maintenance services similar to those terminated hereunder. If, after notice of termination of this Agreement under the provisions of this Section 17, the City determines, for any reason, that Contractor was not in default hereunder, or that such default had been cured, then the rights and obligations of the City and Contractor shall be the same as if the notice of termination had been a termination for convenience issued pursuant to Section 16 above.

18. **City's Remedies for Contractor's Failure to Perform.** Upon Contractor's default of any of its obligations hereunder, and at any time after any such default, the City may take any one or more of the following actions:

18.1 **Forfeiture of Bond/Negotiation of Security.** The City may cause to be forfeited to the City all or a portion of any security given for the faithful performance of Contractor's obligations, and may further cause to be negotiated any instrument of credit



deposited with and assigned to the City in such amount as may be required to complete the Improvement work.

**18.2 Performance by City at Contractor's Expense.** Upon Contractor's default, the City may make written demand upon Contractor, or Contractor's surety (if any), or both, to immediately remedy the default and complete the Work. If the required Work is not substantially commenced within ten (10) days after the City's delivery of that written demand, or if it is not thereafter diligently prosecuted to a completion acceptable to the City within the timeframe set forth in the City's written demand, then without limiting any other remedy available to the City, the City may complete (or arrange for the completion of) all remaining Work and/or conduct such other remedial activity as in its sole and absolute discretion it believes is necessary or advisable. All such Work or remedial activity shall be at the sole and absolute expense and obligation of Contractor (and its surety, if any) without the necessity of giving any further notice to Contractor or its surety. The City's right to take such actions shall in no way be limited by the fact that the Contractor or its surety may have commenced or completed any of the required Work at the time of the City's demand for performance. If the City elects to complete (or arrange for completion of) the remaining Work, then the City may require all Work by the Contractor and/or its surety to cease in order to permit adequate coordination and completion by the City or its designee of the remaining Work.

**18.3 Issuance of Cease and Desist Order.** The City may issue a cease and desist order by delivering written notice to Contractor demanding that Contractor immediately discontinue any actions specified in that written notice. Contractor agrees to immediately comply with any such cease and desist order.

**18.4 Injunctive Relief.** The City shall have the right to apply for and obtain temporary and/or permanent injunctive relief or other equitable relief from a court of competent jurisdiction to enforce its rights and Contractor's obligations created by this Agreement, including without limitation relief in the form of a temporary restraining order and/or permanent injunction restraining Contractor from committing or continuing to commit any breach or threatened breach of this Agreement. The City shall have the right to seek such relief without showing or proving any actual damage sustained by the City, and without posting bond or other security. In connection with the City's right to apply for the injunctive relief which is the subject of this Section 18.4, Contractor hereby acknowledges that Contractor's breach of its obligations hereunder will cause irreparable harm and injury to the City if such breach continues unabated following the City's request for injunctive relief.

**18.5 Other Relief.** The City may seek any other remedies or relief, and take any other actions, available to the City under this Agreement, at law, or in equity.

**19. Indemnification and Defense.** Contractor and its sureties (if any) shall indemnify, hold harmless and defend (using counsel acceptable to the City) the City and its officers, managers, directors, agents and employees from and against all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including without limitation reasonable attorney's fees, arising out of or attributable to Contractor's performance or failure to perform its obligations under this Agreement.

20. **Miscellaneous.**

20.1 **Notices.** All written notices required to be given pursuant to the terms hereof shall be either (a) personally delivered, (b) deposited in the United States express mail or first class mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by overnight courier service, or (d) delivered by facsimile or e-mail transmission, provided that the original of such facsimile notice, or a copy of such e-mail notice, is sent by certified U.S. mail, postage prepaid, no later than one business day following such facsimile or e-mail transmission. All such notices shall be deemed delivered upon actual receipt (or upon the first attempt at delivery pursuant to the methods specified in clauses (a), (b) or (c) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses, or to such other address as the receiving party may from time to time specify by written notice to the other party:

To the City:  
City of South Gate  
8550 California Avenue  
South Gate, California, 90280  
Attention: Arturo Cervantes,  
Director of Public Works  
Telephone No.: (323) 563-9500  
Fax No.: (323) 563-9572  
E-mail: acervantes@sogate.org

With a copy (which shall not constitute notice)  
to:  
Craig D. Hardwick, Esq.  
AlvaradoSmith  
1 MacArthur Place, Suite 200  
Santa Ana, California 92707  
Telephone No.: (714) 852-6800  
Fax No.: (714) 852-6899  
E-mail: CHardwick@AlvaradoSmith.com

To Contractor:

Parkwood Landscape Maintenance Inc.  
16443 Hart Street  
Van Nuys  
California 991406  
Attn: David L. Melito, President  
Telephone No.: (818) 988 9677  
Fax No.: (818) 988 4934  
E-mail: dmelito@parkwood landscape.com

20.2 **Time.** Time is of the essence of every provision contained in this Agreement.

20.3 **Incorporation of Recitals and Exhibits.** All of the recitals set forth in this Agreement, and all of the exhibits attached to this Agreement, are by this reference incorporated in and made a part of this Agreement as though fully set forth herein.

20.4 **Successors and Assigns.** Without limiting the generality of Section 13 above, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

20.5 **Force Majeure.** Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by any cause which is beyond the reasonable control of such party, provided that (a) the party affected gives written notice to the other of the cause and anticipated duration of the delay within three (3) days after the delay commences, and (b) this paragraph shall not extend either party's time for performance by more than thirty (30) days, regardless of the cause of the delay.

20.6 **Construction.** The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

20.7 **Governing Law.** This Agreement shall be construed and interpreted in accordance with and shall be governed and enforced in all respects according to the laws of the State of California, without regard to conflicts of laws principles.

20.8 **Consent to Jurisdiction and Service of Process.** All judicial proceedings brought against any party hereto arising out of or relating to this Agreement may be brought in any state or federal court of competent jurisdiction in the County of Los Angeles, State of California, and by execution and delivery of this Agreement each party accepts for itself and in connection with its properties, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts (both personal jurisdiction and subject matter jurisdiction), waives any defense of forum non conveniens and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each party hereby agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to any other party at its address provided herein, such service being hereby acknowledged by each party to be sufficient for personal jurisdiction in any action against said party in any such court and to be otherwise effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and may be executed by the affixing of the signatures of each of the parties to any one of such counterpart signature pages; all of such counterpart signature pages shall read as though one and they shall have the same force and effect as though all of the signers had signed a single signature page.

20.10 **Entire Agreement.** This Agreement, the Plans and Specifications, and the municipal codes and other laws cited in this Agreement, together contain the entire understanding of the parties and supersede any and all other written or oral understanding. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

20.11 **Captions.** Any captions or headings to the Sections and subsections in this Agreement are solely for the convenience of the parties hereto, are not a part of this

Agreement, and shall not be used for the interpretation or determination of validity of this Agreement or any provision hereof.

20.12 **Severability.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable term or provision had never been contained herein.

20.13 **Further Assurances.** Each party shall cooperate with the other and shall execute such other documents as may be reasonably necessary to carry out the provisions of this Agreement.

20.14 **No Waiver.** Any waiver, consent or approval by either party of any breach, default or event of default of any provision, condition or covenant of this Agreement must be in writing and shall be effective only to the extent set forth in writing. No waiver of any breach, default or event of default shall be deemed a waiver of any later breach, default or event of default of the same or any other provision of this Agreement. Any failure or delay on the part of either party in exercising any power, right or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any further exercise thereof.

20.15 **Rights and Remedies.** No right or remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other right or remedy given hereunder or hereafter existing at law or in equity. The exercise of any one or more rights or the election of any one or more remedies by any party shall not constitute a waiver of the right to exercise other available rights or pursue other available remedies.

20.16 **Joint and Several Liability.** If Contractor constitutes more than one person or entity, then the obligations of each such person or entity shall be joint and several.

20.17 **No Third-Party Beneficiaries.** The parties hereto acknowledge and agree that no provision in this Agreement may be enforced by any third party.

20.18 **Patriot Act Compliance.** Contractor represents, warrants and covenants that neither Contractor nor any of its shareholders, officers, directors, members, managers or partners (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (iv) is listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and

regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 aa-9; The Cuban Democracy Act, 22 U.S.C. §§ 60-01-10; The Cuban Liberty and Democratic Solidarity Act, 18.U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (vi) is engaged in activities prohibited in the Orders; or (vii) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.).

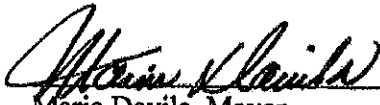
Contract No. \_\_\_\_\_

**20.19 City Council Approval Required for Effectiveness of Agreement.**

Notwithstanding any earlier execution of this Agreement by any officer, employee or representative of the City, this Agreement shall not be binding upon or enforceable against the City unless and until it has been approved or ratified by the City Council of the City at a public meeting noticed and conducted in accordance with applicable provisions of the California Government Code.

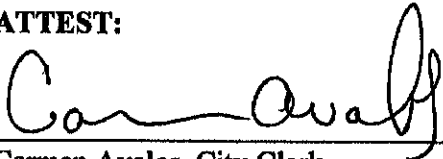
**CITY:**

The City of South Gate,  
a California public body

By:   
Maria Davila, Mayor

Dated: 01/24/, 2018

**ATTEST:**

  
Carmen Avalos, City Clerk  
(SEAL)

Dated: 1/25, 2018

**APPROVED AS TO FORM:**

  
Raul F. Salinas, City Attorney

**CONTRACTOR:**

Parkwood Landscape Maintenance, Inc.  
a California Corporation

By:   
Name: David L. Melito

Title: President

Dated: 1-31, 2018

**Exhibit "A"**

**Scope of Work**

The types and frequencies of the maintenance work to be performed by Contractor, and the locations of the City-owned facilities at which such work is to be performed, are set forth in detail on the pages which are attached following this Exhibit "A" cover page.

**SCOPE OF WORK**

**A. TASK DESCRIPTION**

**Section 1 General**

All applicable provisions of the City of South Gate Municipal Code and State Standards, are incorporated herein by reference and are intended to govern maintenance methods, except as modified herein or are inconsistent with the provisions hereof.

**Section 2 Work Areas**

The work areas to be maintained are within the public right-of-way, which is the back of sidewalk on one side of the street to the back of sidewalk at the other side of the street, and as described in the tables below. Within parking lots, the areas, also, include all planters within the lot on which the facility is situated, and all areas within the public parking lots and public areas and as described in the tables below.

The work areas for this contract include, but not limited to, the following:

**i. Tweedy Maintenance District**

<b>Streets</b>	<b>From</b>	<b>To</b>
Tweedy Blvd.	West City limits	East City limits
Long Beach Blvd.	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
Madison Ave.	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
State Street	Centerline of Tweedy Blvd.	160' North of the centerline of Tweedy Blvd.
Deeble Street	North Alley	Southerly R.O.W. on Tweedy Blvd
Dearborn Ave.	North Alley	Southerly R.O.W. on Tweedy Blvd
Victoria Ave.	North Alley	Southerly R.O.W. on Tweedy Blvd
Elizabeth Ave.	North Alley	South Alley
Virginia Ave.	North Alley	South Alley
California Ave.	North Alley	South Alley
San Antonio Ave.	North Alley	South Alley
San Carlos Ave.	North Alley	South Alley
San Gabriel Ave.	North Alley	South Alley
San Juan Ave.	North Alley	South Alley
San Luis Ave.	North Alley	South Alley
San Miguel Ave.	North Alley	South Alley
San Vincente Ave.	North Alley	South Alley



Mallison Ave.	North Alley	South Alley
Otis Street	North Alley	South Alley
McNerney Ave.	North Alley	South Alley
Bowman Ave.	North Alley	South Alley
Alexander Ave.	North Alley	South Alley
Bryson Ave.	North Alley	South Alley
Hunt Ave.	North Alley	South Alley

***Parking Lots North of Tweedy Boulevard***

N.E. corner California Avenue and alley
N.E. corner San Antonio Avenue and alley
N.W. corner San Carlos Avenue and alley
N.E. corner San Carlos Avenue and alley
N.W. corner San Juan Avenue and alley
N.E. corner San Juan Avenue and alley
N.W. corner San Luis Avenue and alley
N.W. corner San Miguel Avenue and alley
N.E. corner Otis Street and alley
N.E. corner McNerney Avenue and alley
N.W. corner McNerney Avenue and alley
N.W. corner Bowman Avenue and alley
N.E. corner Bowman Avenue and alley
N.E. corner Alexander Avenue and alley
N.E. corner Bryson Avenue and alley

***Parking Lots South of Tweedy Boulevard***

S.W. corner California Avenue and alley
S.E. corner San Antonio Avenue and alley
S.W. corner San Carlos Avenue and alley
S.W. corner San Luis Avenue and alley
S.E. corner San Vincente Avenue and alley
S.W. corner Mallison Avenue and alley
S.E. corner Mallison Avenue and alley
S.W. corner Bowman Avenue and alley
S.E. corner Bowman Avenue and alley
S.W. corner Alexander Avenue and alley
S.W. corner San Vincente Avenue and alley (along south wall only)

**ii. Hollydale Maintenance District**

<b>Streets</b>	<b>From</b>	<b>To</b>
Garfield Avenue	80' north of centerline of Roosevelt Ave.	North curb line of Century Blvd.
Main Street	Utah Avenue	Alley east of Garfield Ave.

**Parking Lots**

N.E. corner Utah Ave. and Main Street
S.E. corner Utah Ave. and Main Street
S.W. corner Garfield Ave. and Main Street

**iii. Street Median Maintenance District**

1. Intersection of Firestone Boulevard and Garfield Avenue: those raised planted medians at the intersection of Firestone Boulevard and Garfield Avenue extend: northerly to the north City boundary, easterly to the east City boundary, westerly to National Avenue and southerly one block.
2. Intersection of Garfield Avenue and Main Street extended northerly to Roosevelt Avenue and southerly to Century Boulevard.
3. Firestone Boulevard, east of Alameda Street.
4. Tweedy Blvd from Long Beach to Alameda
5. Atlantic Avenue.
6. State Street.

**iv. Hawkins Reservoir Site**

This location is on the Southwest quadrant of Firestone Boulevard and the Long Beach Freeway (I-710). Access is via Garfield Avenue, Miller Way and Frontage Road West.

**v. City Water Well Site No. 26**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue, west of Truba Avenue.

**vi. City Water Well Site No. 27**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue, east of Truba Avenue.

**vii. City Water Well Site No. 28**

This site is located at 3414 Ardmore Avenue, South Gate, CA 90280, west of California Avenue.

**viii. City Water Well Site No. 29**

This site is located at 2700 Ardmore Avenue, South Gate, CA 90280, at the intersection of Santa Fe Avenue and Ardmore Avenue in South Gate.

**ix. South Gate Corporation Yard**

Located at 4244 Santa Ana Street.

**x. Civic Center Parking Lot and Planter at Tweedy Blvd./Deeble Street.**

**xi. Westside Reservoir Site**

This location is on the north side of Tweedy Boulevard and south side of Nebraska Avenue.

**xii. Alameda Soundwall Planter**

This location is on the westside of Alameda Street, between Southern Avenue and Tweedy Boulevard.

**xiii. Century Blvd. North**

North side of Century Boulevard from State Street to Santa Fe Avenue.

**Section 3 Task Description**

The work to be performed, in the aforementioned areas, shall consist of, but not limited to, furnishing all labor, materials and equipment necessary to maintain all landscaped areas described, herein to include, but not limited to, turf, shrubs, groundcover, vines and irrigation systems.

The work shall also include emptying and maintenance of trash receptacles; maintenance and cleaning of benches, bus stop facilities, tree wells, and planters, and pickup debris, gum, animal feces, grease, paint, graffiti, glass and trash from all public places. Planting of annuals and mowing lawns in specified areas, manual and chemical weed abatement. Also, steam cleaning, and irrigation system maintenance.

Major repairs (exceeding \$1,000, single or aggregate per year) to the irrigation system are not included. City reserves the right to hire other parties to do the major irrigation repairs to the system.

The Contractor shall tour the sites and determine the quantity and type of landscaping and facilities to be maintained.

Actual work to be performed and required performance frequencies are defined in

the following divisions of these documents.

**Section 4**     **Safety**

The Contractor shall perform all the work required in such a manner as to meet all accepted standards for safe practices during all operations and to maintain safe condition of premises and right-of-ways at all times.

The Contractor shall so conduct his operations as to offer the least possible obstruction and inconvenience to the public to include disruption of the noise levels within the area.

All incidents out of the norm including but not limited to crimes, thefts, vandalism, hazards, etc., shall be reported immediately by phone to the Police Department at (323)563-9500

**Section 5**     **Cooperation/Collateral Work**

The Contractor shall recognize that during the course of the contract other activities and operations may be conducted by City forces and/or other contractors. These activities may include, but are not limited to: landscape refurbishment, irrigation system modification or repair, construction and storm related operations.

The Contractor may be required to modify or curtail certain operations and shall comply with any request by the Engineer to cooperate.

**Section 6**     **Contractor's Equipment**

All equipment and machinery utilized by the Contractor while performing work for the City shall be equipped and operated in such a manner so as to conform to all applicable laws and regulations including, but not exclusive to OSHA, concerning safety and operations. A complete listing of equipment must be submitted with the proposal on form provided.

**Section 7**     **Inspection**

The Contractor shall have a superintendent available at **bi-weekly intervals** for the purpose of conducting walk-through inspections of all maintained facilities.

Additionally, the Contractor's superintendent shall attend monthly status meetings at City Hall, field tours, and Tweedy Mile Association meetings unless directed otherwise.

In addition, the Director or his designated representative shall inspect the maintained facilities at random intervals while work is being performed and at the completion of required work to not discrepancies. Discrepancies will be noted

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and the responsible party shall eliminate any problems immediately.

**Section 8**      **Schedule**

The Contractor shall note the specific days and/or periods have been established in these Special Provisions for the completion/performance of some items of work described herein.

Prior to commencement of work, the Contractor shall be required to submit to the Director or his assignee for approval, a schedule indicating the time/day/month proposed for performance of those items of work which are unspecified.

Failure to perform the work on the specified day and/or time shall result in the deduction and forfeit of five hundred dollars (\$500) from payments to the Contractor for every calendar day the schedule is not followed unless otherwise provided.

Requests to change the schedule shall be filed with the Director, or his assignee, at least 72-hours prior to the scheduled time for the work. Requests to change the schedule shall be made by telephone and directed to the Director, or his assignee, and followed in writing unless otherwise provided. All requests to change the schedule shall be subject to the approval of the Director, or his assignee. Therefore, the Contractor shall not implement any schedule changes until receipt of verbal or written notification from the Director, or his assignee that the requested change has been approved.

Failure to notify of a change and/or failure to perform an item of work on a scheduled day may result in deduction of payment for that date, or work, even though the work is performed on a subsequent day.

The Contractor shall adjust his schedule to compensate for all holidays in such a manner that all work required to be performed on that day shall be performed on either the day before the holiday or on the day after the holiday as determined in the Director, or his assignee.

**Section 9**      **Performance on Schedule**

Failure to complete the work as scheduled may result in the following actions:

- A) The sum of five hundred dollars (\$500) per calendar day will be deducted and forfeited from payments to the Contractor for each instance where an item of work is not completed in accordance with the schedule or specifications.
- B) An additional amount equal to the costs incurred by completion of the work by an alternate source, whether it is City forces or private Contractor, even if it exceeds the contract unit price will be deducted.

- C) These actions shall not be constructed as a penalty but as adjustment to payment for only the work actually performed or as cost to the City for inspection and other related costs from the failure of the Contractor to perform the work according to schedule.

**Section 10 Notification**

The Contractor shall inform the property owners and David Torres (323) 563-5784 at least 72-hours before performing work impacting businesses and property owners, such as, steam cleaning, sweeping. The notification to the City may be done by email to David Torres at [dtorres@sogate.org](mailto:dtorres@sogate.org) or by fax to (323) 582-3106.

Notifications to business owners and property owners shall be done through the distribution of City pre-approved flyers to be distributed by the Contractor.

The Contractor shall take immediate action to resolve any complaints or requests due to unsatisfactory performance as soon as the Contractor is notified both verbally and/or in writing.

The Contractor shall complete corrective action within the following periods subsequent to verbal notification:

- A) All deficiencies, excluding minor irrigation repairs like replacing irrigation heads, within three (3) working days.
- B) Irrigation repairs will be subject to approval by the City upon submittal by the Contractor of a cost estimate and an itemization of repair items. Authorized repairs must be started within three (3) working days from approval.

The City reserves the right to hire outside parties to perform major irrigation repairs exceeding \$1,000

**Section 11 Reports/Monthly Meeting**

At the end of each month, the Contractor shall submit to the Director or designee, a detailed summary of all work accomplished which is other than that normally scheduled, along with the request for payment.

The Contractor shall attend a monthly Tweedy Business Mile Association meeting. In addition, the contractor shall meet with the City Staff at least once a month or as directed by the Director of Public Works. The exact schedule of the meeting will be provided to the Contractor after the award of the contract.

Once a month and with the submittal of the monthly invoice for services, the Contractor shall submit a monthly report to the City describing all the work completed during the past month.

**Section 12 Traffic Controls**

The Contractor shall provide and display all safety devices and traffic controls at all times when working in the public right-of-way. All Contractors' employees shall be attired in approved safety gear at all times and traffic control shall be as outlined in the "Work Area Traffic Control Handbook, and/or the MUTCD." Failure to do so will result in an immediate shutdown of activity by the City. Any work not accomplished as a result of the shutdown shall be performed at another time with proper safety devices at no additional expense to the City.

Contractor shall use electronic arrow and message boards whenever doing work on a major arterial, collector street, or thoroughfare.

**Section 13 Contractor's Personnel**

Each of the Contractor's working crews shall have a responsible leadman who may represent the Contractor to discuss the work in English with the Director, or his designate representative, at all times. All personnel must wear an ID tag, and shall wear a uniform where the company's name and logo is affixed. All Contractors' truck and equipment shall have a company logo and number affixed to it.

**Section 14 Irrigation System Operations**

Irrigation shall be maintained to ensure all landscaping is provided with sufficient irrigation water to promote and maintain a healthy appearance and condition at all times.

The entire irrigation system including all components from connection at meters shall be maintained in an operational state at all times. This coverage applies to all controllers and remote control valves, gate valves and backflow devices, main and lateral lines, sprinkler heads, moisture sensing devices and all drip irrigation system components.

The watering schedule will be established by the Contractor's Landscape Maintenance Supervisor. Application rates will be based on the amount of water the planted areas are capable of receiving without excessive runoff. The Contractor shall monitor the requirements of the plant material, soil conditions, seasonal temperature variations, wind conditions and rainfall and shall make appropriate changes in duration of watering cycles. The site(s) is equipped with an automatic system which provides for repeat cyclers to allow for water application over shorter periods of time that will allow for proper infiltration and thereby minimize runoff.

All irrigation shall be accomplished in accordance with the following periods:

- A) Automatic Systems Operation 10:00 p.m. – 6:00 a.m.

- B) Manual Irrigation 9:00 a.m. – 3:00 p.m.

Special watering required during daytime hours such as after fertilization, during periods of extreme dryness or heat, and during manual irrigation cycles shall be conducted in accordance with the following criteria:

- A) There shall be minimal drift onto private property caused from wind.
- B) There shall be irrigation personnel present at all times at each location until watering cycle is completed.

All damages resulting from under or over watering shall be repaired at the Contractor's expense.

**Section 15 Irrigation System Maintenance/Repair**

All irrigation systems shall be tested and inspected a **minimum of twice a month. A status report is required to be submitted at the end of each month.** A schedule shall be submitted at the start of the contract showing the location, day of week and time of day that each system will be tested. Any changes shall be submitted for approval prior to enactment.

The Contractor will adjust or clean all sprinkler heads, quick couplers, and valves to continue operation at maximum efficiency and performance.

All systems shall be adjusted in order to:

- A) Provide adequate coverage of all landscape areas
- B) Prevent excessive runoff and/or erosion
- C) Prevent watering roadways and facilities such as walkways, fences, private property and parking areas.

In addition to required testing, all irrigation systems shall be tested and inspected as necessary when damage is suspected, observed or reported.

All sprinkler heads shall be kept clear of over growth which may obstruct maximum operation. Contractor to replace all damaged and non-operational sprinkler heads.

All irrigation control valve strainers shall be inspected and cleaned a minimum of once per week.

All drip irrigation system emitters shall be cleaned and emitter flow checked a



minimum of once per week.

All irrigation system lateral lines shall be flushed a minimum of once every third month.

All backflow prevention devices shall be inspected for damage and leaks weekly. Any discrepancies shall be reported to the Director, or his assignee, immediately.

**Section 16**    **Shrub Pruning/Maintenance**

All shrubbery shall be pruned, shaped and thinned a minimum of three per year, once in late April, late August and early January, for safety, removal of broken or diseased branches, general containment and/or appearance.

All shrubs shall be trimmed to maintain vertical, horizontal clearance along walkways, parking areas and medians to prevent encroachment onto private property, to prevent obstruction of visibility of traffic signals and all signs and to prevent obstruction of sight distance for drivers entering/existing driveways from roadways, alleys or adjacent private property.

Prune shrubs to retain as much of the natural informal appearance as possible, consistent with intended use. Coordinate with the Director or his assignee.

Shrubs used as formal hedges or screens shall be pruned as required to present a neat appearance without a sheared appearance.

Remove any spent blossoms or dead flower stocks as required to present a neat clean appearance.

All leaves shall be raked from under the shrubs twice each month as needed.

All trimmings and debris shall be removed and disposed of offsite at the end of each day's work.

**Section 17**    **Pruning Procedures:**

All cuts shall be made sufficiently close, flush if possible, to the parent stem so that healing can readily start under normal conditions.

All limbs 1" or greater in diameter shall be under cut to prevent splitting.

All equipment utilized shall be clean, sharp and expressly designed for tree pruning.

Fertilization shall be scheduled every six (6) months to keep shrubs in a healthy and desirable condition. The Contractor shall use a well-balanced fertilizer.

**Section 18**    **Vines**

Vines and espalier plants shall be checked and retied as required. Secure vines with appropriate ties to promote directional growth on supports.

Do not use nails to secure vines on masonry walls.

Deep-water vines in pockets not provided with sprinklers as required to promote optimum growth.

The fertilization schedule of all vines shall be concurrent with fertilization of shrubs.

Vines shall be kept trimmed back from all signs, irrigation controllers and not allowed to grow up trees and into shrubs. Vines shall be trimmed to retain as much of the natural informal appearance as possible, consistent with the intended use which is to cover walls.

**Section 19**    **Groundcover**

Groundcover areas shall be maintained in a manner which will promote the healthy growth of the plant material in a somewhat natural state while removing weed infestations.

All groundcover shall be trimmed to restrict growth from sidewalks, trees, shrubs, behind curbs, around sprinkler heads, and from private property at all times.

A regular program of pre-emergent chemical application shall be used to control weed growth supplemented by hand removal of noxious weeds or grasses as required.

Weeds and grasses shall be removed from all planted areas upon emergence and not later than the next scheduled working day.

All bare soil areas shall be cultivated a minimum of **once per month**.

All paper or litter that accumulates in groundcover shall be picked as needed to be in compliance with the City's zero tolerance policy of maintaining the areas within District No 1 in an impeccable condition.

All groundcover areas shall be fertilized **every ninety (90) days** to promote a healthy appearance.

**Section 20**    **Turf**

Mow all turf areas weekly, if necessary, to maintain the specified height, with clippings mechanically collected and the borders neatly trimmed. Trim around

trees, rocks, valve boxes and other items located in the turf area keeping grass below weekly mowing height using a weed eater/line trimmer. The use of a line trimmer is not an acceptable substitute for an edger along paving, concrete walks and mow strips. The use of herbicides within the turf area as a means of trimming edges or around irrigation heads is not acceptable. Turf areas shall be mowed in accordance with acceptable horticultural standards. At no time shall more than 1/3 of the height of the grass be removed in any single mowing.

Irrigate as necessary to maintain proper growth rate and optimum appearance. The City shall approve all irrigation time cycles and shall be notified of any necessary changes 72-hours prior to any changes.

Maintain turf areas in a weed-free condition. For chemical control of broadleaf weeds, use of an approved selective herbicide shall be initiated on an as needed basis to maintain a weed-free condition. The Contractor shall supply the Engineer or assignee a written notice prior to any application of herbicide, pesticide or any other chemical within any work area containing potable water well or storage reservoir.

The Contractor shall NOT apply said chemicals prior to receiving a written approval for chemical work in these areas.

Contractor shall replace, at his own expense, all portions of dead turf, or turf showing signs of deterioration and change of color. Exceptions in this area are per written approval under drought condition and/or state mandates.

**Section 21 Fertilization:**

- A) Fertilize four (4) times annually with "Best" Turf Supreme 16-6-8 controlled release fertilizer or an approved equivalent, using two (2) pounds actual nitrogen per one thousand (1000) square feet, in March, June, October and December.
- B) Obtain written approval from Director prior to commencing with the application of fertilizer.

Control pests, including rodents, snails and diseases continuously to provide a healthy environment for plants and the public. This is to be done on a continuous basis with baits placed daily, if necessary.

Level, roll and reseed turf as needed to remediate any damage due to mechanical equipment. Maintain a level surface and fill in any bare areas.

All turf areas shall be mechanically aerated twice a year, or as needed. Aeration shall be done to a depth of not less than four (4) inches and shall be done immediately prior to the **March** and **October** fertilization. Prior to aeration, all irrigation heads and any other items, which could sustain damage during aeration, shall be flagged and any necessary precautions shall be taken to ensure that

irrigation, or similar equipment, is not damaged.

**All landscape areas in close proximity to City potable water wells or storage reservoirs require special care by the Contractor to prevent the contamination by pesticides, herbicides or fertilizers. Any contamination of the above-mentioned water sources resulting from the negligence of the Contractor shall be cleaned to City and State Health Department standards at the Contractor's sole expense, and no additional compensation shall be allowed therefore.**

**Section 22 Tree, Shrub, Vine and Groundcover Replacement**

The Contractor shall replace, at his expense, any shrubs or plants which die due to the Contractor's negligence or neglect. Size of replacement shrubs shall be equal to existing unless otherwise determined by the Director or his designated representative.

**Section 23 Weed, Pest and Disease Control**

The planters, beds, tree wells and areas of all landscaping shall be kept clear and free of all weeds, pests, insects and diseases at all times. Pests include, but are not limited to, gophers, snails, slugs, rabbits, squirrels and other rodents or pests which might cause harm or damage to the landscaping. Methods and materials used to accomplish this objective are subject to approval by the Director, or his designated representative prior to application. The Contractor is to possess all written recommendations, licenses, certificates and permits required by the State of California to handle and apply chemicals. A copy of said, written recommendation, licenses, certificates or permits shall be sent to the City of South Gate Director or his assignee.

Non-restricted chemicals shall be used wherever possible to perform weed and pest control. All methods employed to perform Rodent/Pest Control shall conform to all federal, state and county environmental regulations.

**Section 24 General Facility Maintenance**

Trash receptacles shall be emptied a minimum of **four (4)** times per week on **Mondays, Wednesdays, Fridays and Sundays** or as needed to ensure that receptacles are not overflowing, **EXCEPT FOR TRASH RECEPTACLES ON TWEEDY BLVD, WHICH MUST BE SERVICED AND EMPTIED DAILY**, early in the mornings. Concurrent with each trash pick-ups, the Contractor shall wash the exterior of trash receptacles and their lids. Interior buckets of trash receptacles shall be washed monthly during the first week of each month. The Contractor shall provide plastic liners for all City provided trash receptacles at the Contractor's expense. Contractor shall empty trash receptacles before, once during, and after special events which occur twice a year.

All trash and debris shall be removed from tree wells, rest areas, planters and medians on **Mondays, Wednesdays, Fridays and Sundays.**

The Contractor shall remove all trash and debris from planted areas of parking lots, planters and other hardscape areas, and clean all the areas from edge of planted area curb to a distance of twenty-four (24) inches from curbs to remove all trash and debris a **minimum of four (4) times per week, on Mondays, Wednesdays, Fridays and Sundays between the hours of 5:00 a.m. and 8:00 a.m. only.**

All clippings and any other debris generated by the Contractor's activities shall be removed and disposed of offsite at the end of each workday, or upon the completion of the Contractor's daily operations, whichever occurs first. The Contractor shall not sweep trash or debris into the streets and allow it to remain there for pickup by City street sweepers. Dust or nuisance conditions occasioned by Contractor's work will not be tolerated and shall be alleviated immediately.

In addition to the above, the Contractor shall be required to **perform three (3) special cleanups per year or as instructed by the Director of Public Works or assignee.** One special cleanup shall be required for the **Street Fair.** The other special cleanup shall be required for the **Christmas Parade.** The third shall special clean-up shall be as required due a special City Event. The Contractor shall be required to perform all items of work described in Section 9 on **the day before each event, on the day of each event, and on the day after each event.**

The Contractor shall not be allowed to alter the regular Monday, Wednesday, Friday, and Sunday schedule specified herein for each item of work, but shall be required to perform these items of work on consecutive days if necessary to comply with these contract requirements. The Director, or his assignee, shall notify the Contractor in writing a minimum of thirty (30) calendar days prior to the scheduled day of each event. Performance of the three required special cleanups shall not be paid as extra work, but shall be included in the Contractor's final sum quoted price for General Facilities Maintenance and no additional compensation shall be allowed therefore.

All green waste generated by the landscape maintenance of any City-owned property, by the Contractor, shall be reported to the City and disposed of at a recycling facility designated by the City that has composting capabilities and is approved by the Director of Public Works, or his assignee. The City shall receive credit of all recycled green waste.

**Section 25**    **Steam Cleaning**

**Location:** All public sidewalks, bus benches and hardscape areas within the Tweedy and Hollydale Business District areas, around the Azalea Shopping Center and on Atlantic Sidewalks

**Frequency:** Bus stops, shall require a minimum of twice per month  
For sidewalks, shall require once per week

**Task Description:**

The Contractor shall thoroughly remove all gums and stain by steam clean and any other means from all sidewalks, walkways, and paved areas, ON A WEEKLY BASIS preferably on Mondays, to the satisfaction of the Director of Public Works or assignee. The Contractor shall use Best Management Practices (BMP's) as approved in the most current edition of the National Pollutant Elimination System (NPDES) Municipal Stormwater and Urban Runoff permit to reduce and amount of pollutant to be discharged to the storm drain system.

**Sample BMP:**

- Vacuuming the runoff before entering the catch basin by vacuum truck.
- Retention debris with a waddle or filter prior to entering the catch basin and debris shall be picked up and disposed of properly.

**Section 26 Trash Pickup on Century Boulevard**

Trash pickup shall occur once a week and application of provision in Section 25 shall apply.

**Section 26A Special Events in Tweedy Boulevard**

Refer to Exhibit A1B for details of maintenance work.

**Section 27 ENFORCEMENT OF STANDARDS**

Contractor shall strictly adhere to the standards set forth in this section and these specifications.

**1. Contractor to assign a staff member to drive through the maintenance areas DAILY, to insure that all areas are kept clean and in an impeccable condition.**

Failure by the Contractor to inspect areas daily will compel the City to perform that duty by hiring a third party. The cost to the City of providing this task will be deducted from any payments to Contractor.

**2. All areas under this maintenance district shall be free from weeds, trash, deleterious materials, illegally dumped items, dying plants, unsightly plant material, chewing gum, spilled paint.**

The City of South Gate has a zero tolerance policy for all items listed above in

this sub- section. Contractor must immediately notify the City of any items, except the ones listed above, abandoned in the maintenance district areas.

## **B. MAINTENANCE STANDARDS**

### **1. Alameda Sound Wall**

Alameda sound wall planter shall be maintained and trimmed in straight and neat horizontal and vertical planes, and shall not grow more or protrude than 30 inches from the soundwall. All "dead" areas shall be reported to the City and planted with similar plants. Failure by the Contractor to keep this site in excellent condition will compel the City to maintain it and charge the Contractor time and material (not less than \$500 per occurrence)

### **2. Medians and Parking Lots**

All medians and parking lots must have an impeccable appearance at all times. Dead plants must be removed immediately and replaced within 48 hours. In the event the Contractor fails to replace the dead plants in the time prescribed above then the City will proceed with the replacement, and will charge the Contractor time and material for the replacement, and shall deduct the charges (minimum \$500 per occurrence) from future payments to the Contractor. All trash, weeds, and other materials must be removed from the medians and parking lots immediately. Failure to comply with this requirement will compel the City to complete the cleanup and charge the Contractor for time and material.(Not less than \$250 per occurrence). Such charges to be deducted from future payments owed the Contractor.

### **3. Well Site Landscape Maintenance**

At all well sites included in this contract must have trees, hedges and ivy trimmed inside and outside. All trash picked up and all areas blown inside and out of perimeter fencing on a weekly basis. Weed abatement will be accomplished by trimming, no weed killing chemicals are to be used in area surrounding the potable water well sites. West Side Reservoir, Well 26, and Well 27 sites have exterior landscaping on Tweedy and Nebraska, in front and back. City pump operators will accompany the landscapers to open gates, disarm the video alarm systems and secure the sites.

### **4. Trash Receptacles**

All trash receptacles under this contract shall be emptied per the schedule in these specifications, and whenever full, as reported by the Contractor's staff assigned to monitor the maintenance areas within District No 1. Contractor shall immediately empty trash receptacles when notified or as reported by the Contractor's staff assigned to monitor all sites. Failure to empty the trash receptacles when full will result in City crews completing the work. The cost of City time and material will be charged to the Contractor (not less than \$250 per occurrence)

5. City Staff Oversight

Public Works Maintenance Division personnel shall monitor all regularly scheduled maintenance duties like steam cleaning operations and approve or disapprove the final product, immediately upon completion of the operations. The Public Works Maintenance Superintendent may at his discretion require a written report from staff certifying that all duties were performed according to the contract specifications.

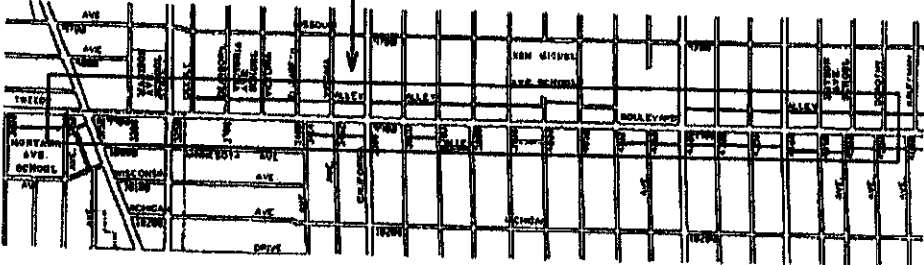


**EXHIBITS A1 THROUGH A12**

**LOCATION MAPS AND TASK DESCRIPTIONS**

**EXHIBIT A1- TWEEDY AND HOLLYDALE DISTRICT**

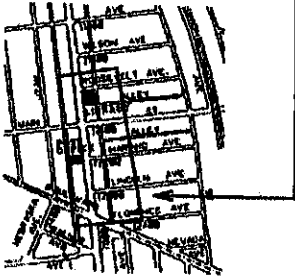
**I. TWEEDY MAINTENANCE DISTRICT**



**Hollydale District**

1. Maintain landscaped medians and public parking lots
2. Pick up trash from sidewalks and medians
3. Steam clean sidewalk and bus stop benches
4. Empty trash from receptacles and replace trash bags on Mondays, Wednesdays, Fridays, and Sundays.
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager.

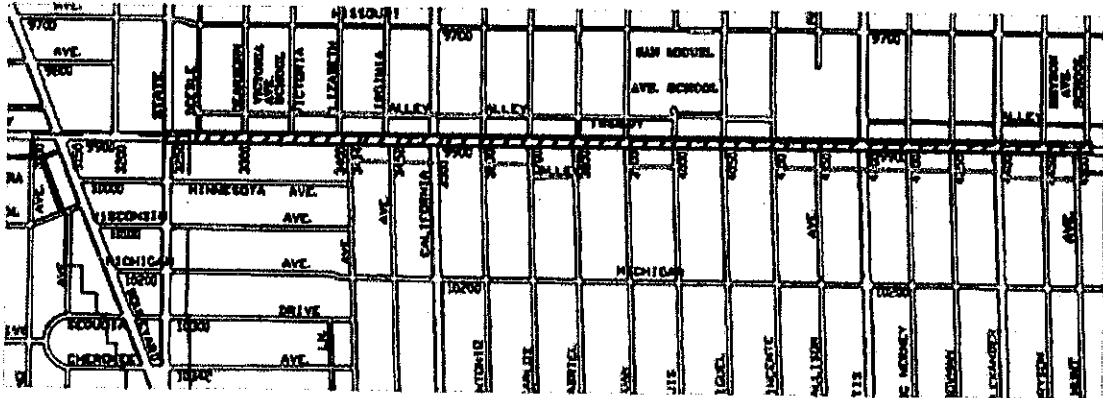
**II. HOLLYDALE DISTRICT  
GARFIELD AVE FROM ROOSEVELT TO  
FLORENCE AVE**



**Tweedy District**

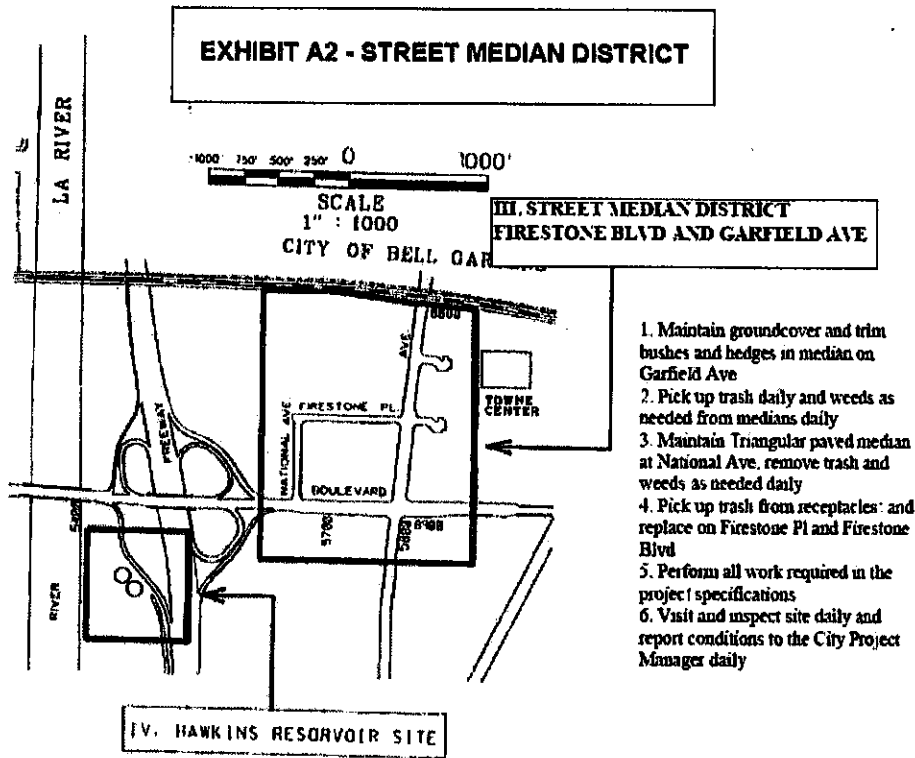
1. Empty trash receptacles, replace trash bags Mondays, Wednesdays, Fridays, and Sundays per exhibit
2. Steam cleaning of bus benches twice a month
3. Steam cleaning of sidewalks, walkways and paved areas once a week
4. Pick up trash and weeds from medians, public places and parking lots.
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager.

## EXHIBIT A1B - SPECIAL EVENTS IN TWEEDY BLVD



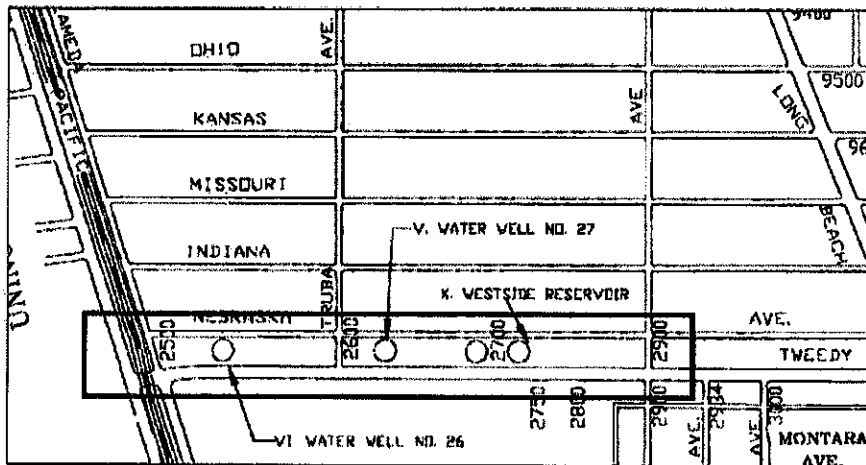
- 1) Two Special events occur in Tweedy Boulevard, from Hunt to Long Beach Blvd: 1) Street Fair ( 2 Days); and 2) Christmas Parade (2 Days). Contractor shall pickup trash in Tweedy Blvd. and two neighboring alleys on the north and south sides one time a day. Also, Sweep and pressure wash sidewalks, steam clean benches in Tweedy Blvd., on the day before and day after within the above limits.
- 2) One Special event occur on Tweedy Boulevard from State Street to California The events takes place during the evening from 3:00 pm in the late afternoon to 8:00PM IN the evening 1) Posada (1Day); Contractor shall pick up trash on Tweedy Boulevard. Also, Sweep and pressure wash sidewalks, steam clean benches on Tweedy Boulevard on the day before and day after the within the above limits.
- 3) Bid price(s) shall be per event.

**EXHIBIT A2 - STREET MEDIAN DISTRICT**



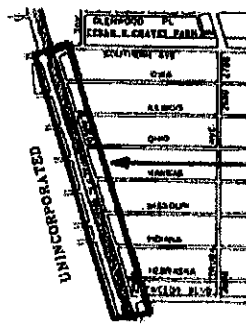
1. Maintain groundcover and trim bushes and hedges in median on Garfield Ave
2. Pick up trash daily and weeds as needed from medians daily
3. Maintain Triangular paved median at National Ave, remove trash and weeds as needed daily
4. Pick up trash from receptacles and replace on Firestone Pl and Firestone Blvd
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily

**EXHIBIT A3 - WELL SITES 26, 27 AND WESTSIDE RESERVOIR**



1. Remove all weeds biweekly
2. Weekly inspections and reports of condition of sites.
3. Remove all trash and debris from site daily

**EXHIBIT A4 - ALAMEDA WALL AND FIRESTONE MEDIAN**



**XI. ALAMEDA SOUND WALL TWEEDY BLVD TO SOUTHERN AVE.**

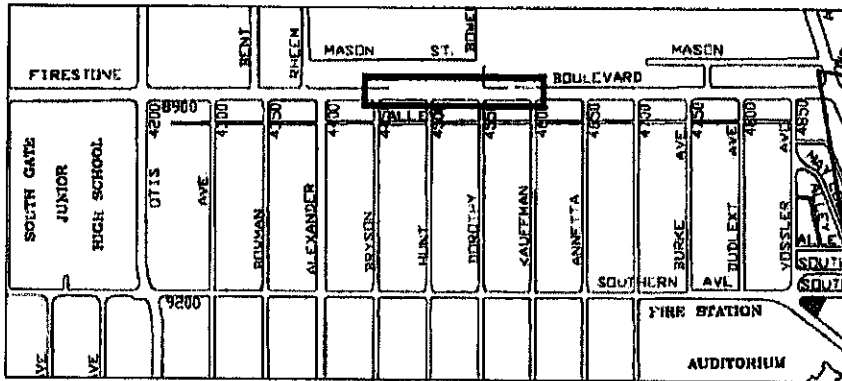
1. Maintain and trim vine along a straight line 30" from sound wall as needed
2. Trim hedges in planters along rectangular straight lines as needed
3. Remove dead vegetation as needed
4. Perform all work required in the project specifications
5. Visit and inspect site daily and report conditions to the City Project Manager.

**XI. MEDIAN ON FIRESTONE EAST OF ALAMEDA**



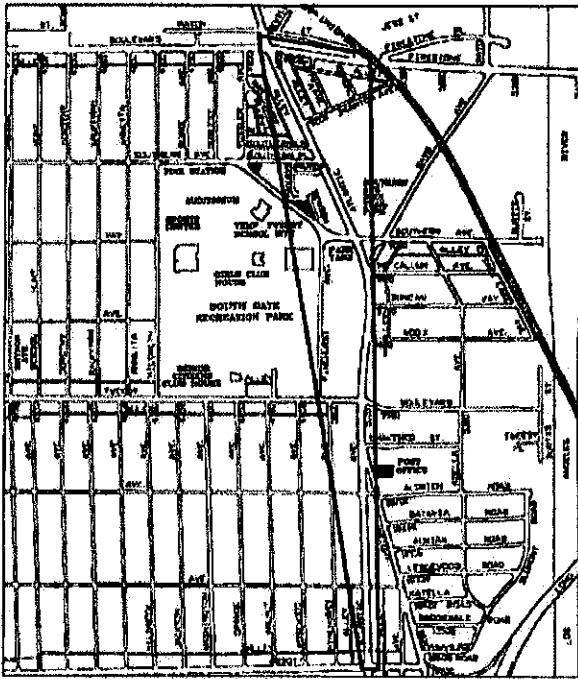
1. Maintain landscaped median
2. Remove dead vegetation as needed
3. Maintain hedges in good condition and trim to straight lines weekly
4. Remove debris and trash from median and adjacent area daily
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily.

**EXHIBIT A5 - FIRESTONE MEDIAN FROM KAUFFMAN AVE TO BRYSON AVE**



1. Trim hedges, landscaping and ground cover on a biweekly basis
2. Remove debris and trash from median, sidewalk and paved areas daily
3. Perform all work required in the project specifications
4. Visit and inspect site daily and report conditions to the City Project Manager daily.

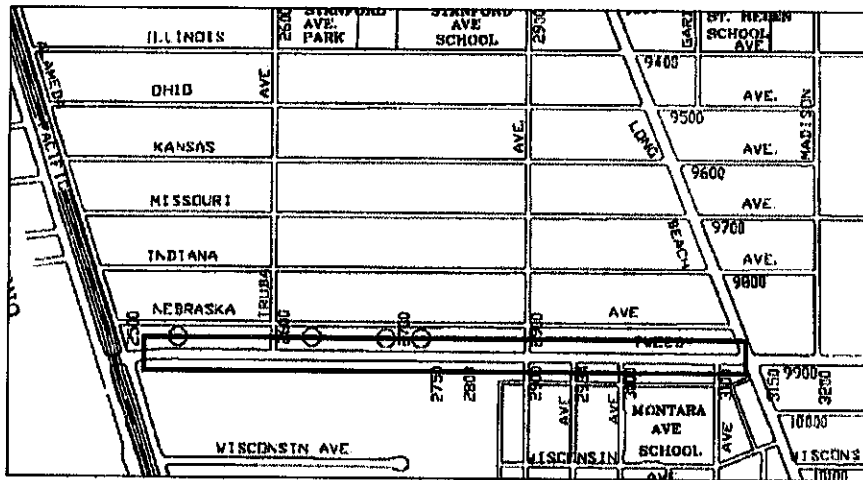
**EXHIBIT A6 - ATLANTIC AVE MEDIAN FROM FIRESTONE TO ABBOTT ROAD**



1. Remove trash and debris from medians and public areas daily.
2. Remove weeds from median and public places on an as needed basis
3. Maintain ground cover, and flower beds on an as needed basis
4. Steam clean median hardscape areas and public areas once a month.
5. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to City Project Manager daily.

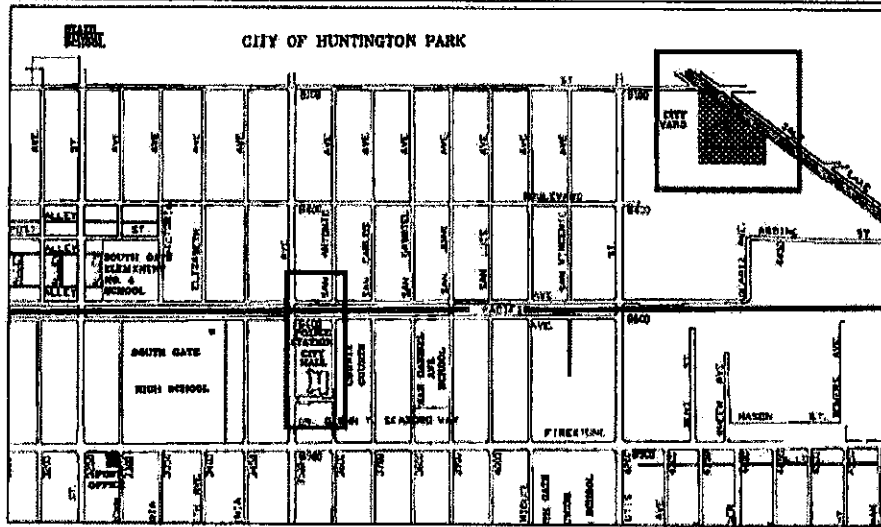


**EXHIBIT A7 - TWEEDY MEDIAN BETWEEN LONG BEACH BLVD AND ALAMEDA ST**



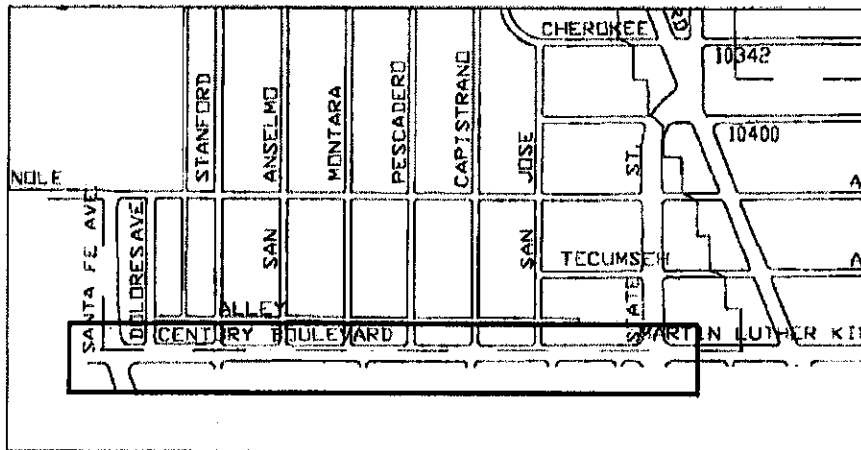
1. Pick up trash debris daily from medians, sidewalks, and paved areas
2. Pick up weeds on an as needed basis
3. Empty trash receptacles on Mondays, Tuesdays, Wednesdays, and Fridays on Tweedy
4. Maintain landscaping and ground cover on an as needed basis
5. Steam clean hardscaped areas, sidewalks, and paved areas once a month
6. Perform all work required in the project specifications
6. Visit and inspect site daily and report conditions to the City Project Manager daily.

**EXHIBIT A8 - CIVIC CENTER AND MAINTENANCE FACILITY**



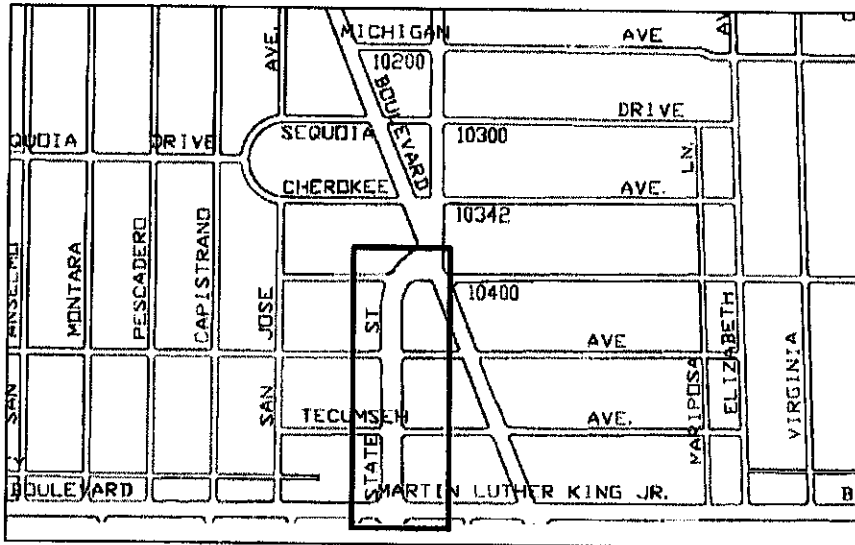
1. Remove all weeds on an as needed
2. Clean debris and trash from parking lots daily
3. Remove dead vegetation as needed
4. Ensure normal growth of plants; Replace dead plants
5. Weekly reports to be submitted to the City
6. Perform all work required in the project specifications
7. Visit and inspect site daily and report conditions to the City Project Manager.
8. Change color of flower beds 5 times a year

**EXHIBIT A9 - CENTURY BLVD FROM STATE STREET TO SANTA FE AVE**



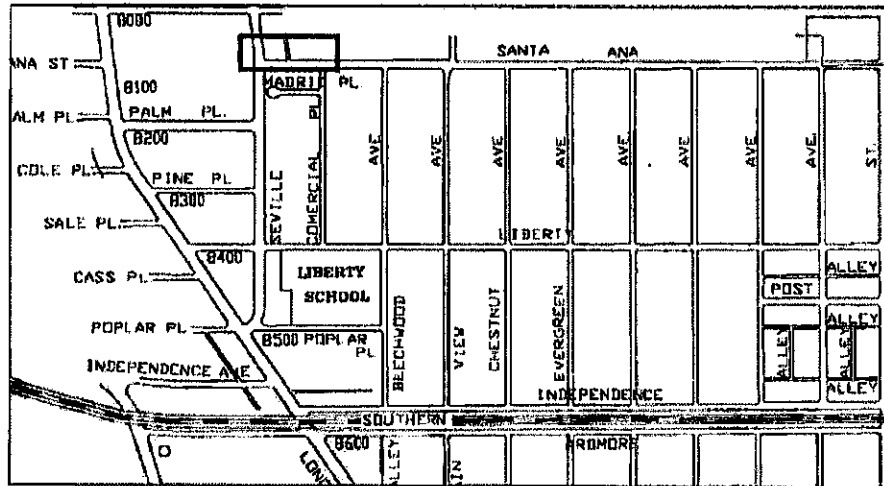
1. Remove trash bags and replace with new once a week
2. Clear debris and trash from public areas
3. Perform all work required in the project specifications
4. Visit and inspect site daily and report conditions to City Project Manager daily

**EXHIBIT A10- STATE STREET BETWEEN LONG BEACH BLVD AND MARTIN LUTHER KING JR BLVD**



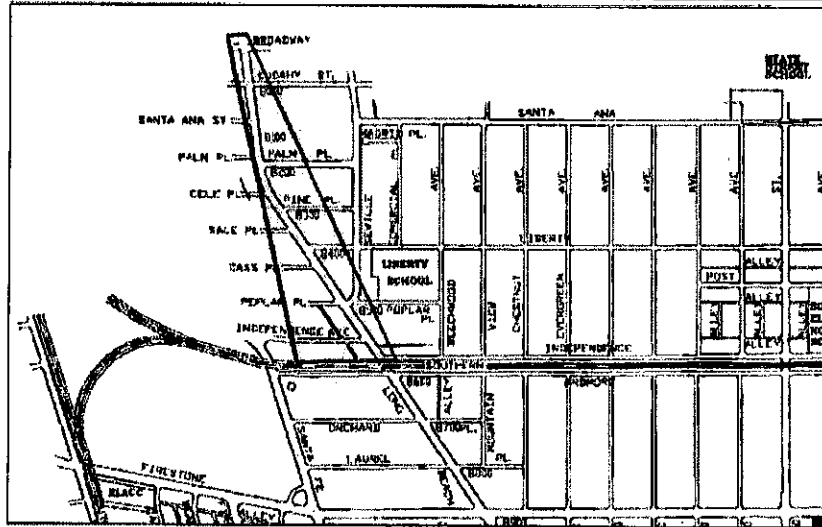
1. Mow turf once a week on 20' wide median on State Street between Long Beach Blvd and Martin Luther King Blvd
2. Remove pine needles from median island, public areas and sidewalks
3. Insure sprinklers are functional and provide full coverage
4. Replace dead portions of turf
5. Apply required fertilizer and aeration as necessary to keep turf lush green and in a healthy condition
6. Remove weeds, gum, dirt, graffiti, and USA markings from median at Long Beach Blvd and State St

**EXHIBIT A11 - SANTA ANA STREET AT SEVILLE AVE**



1. Keep wall on south side of Santa Ana clean of graffiti
2. Replace trash receptacles at southeast corner of Seville and Santa Ana
3. Remove debris, gum, and USA markings from intersection

**EXHIBIT A12 - LONG BEACH BLVD FROM PALM PLACE TO NORTH CITY LIMITS**



1. Replace trash receptacles on Mondays, Tuesdays, Wednesdays and Fridays
2. Steam clean and remove gum, animal feces, USA markings and weeds from public streets, sidewalks and paved areas
3. Steam clean benches and bus stops once a month

Contract No. \_\_\_\_\_

**Exhibit "B"**  
**Cost Proposal**

A detailed description of the compensation payable to Contractor hereunder, including unit prices, monthly payments, and/or other information, conditions and limitations, is set forth on the Cost Proposal which is attached following this Exhibit "B" cover page.

**CITYWIDE ANNUAL LANDSCAPE MAINTENANCE PROGRAM**Name of Contractor: Parkwood Landscape Maintenance, Inc.

In accordance with the Request for Proposal (RFP) for the Citywide Annual Landscape Maintenance Contract, the undersigned declares that he/she has carefully examined and read the RFP requirements and is familiar with the requirements therein contained, and proposes to furnish all labor, material, and supplies necessary to accomplish the terms of the maintenance contract at the following prices:

Item No#	Description	Months/ Each	Price per month/ event	Annual amount
1	Maintenance of Tweedy Maintenance District per Exhibit A1 and specifications	12	\$2,310.00	\$27,720.00
2	Maintenance of Hollydale District per the attached Exhibit A1 and as described by the specifications	12	\$1,820.00	\$21,840.00
3	Maintenance of Street Median District per attached Exhibit A2 and specifications	12	\$645.00	\$7,740.00
4	Maintenance of Hawkins Reservoir site per the attached Exhibit A2 and as described by the specifications	12	\$369.00	\$4,428.00
5	Maintenance of Water Well No. 26, No. 27, No 28, No. 29 and Westside reservoir site per the attached Exhibit A3 and as described by the specifications	12	\$584.00	\$7,008.00
6	Maintenance of Public Works Corporate Yard per the attached Exhibit A8 and as described by the specifications	12	\$1,720.00	\$20,640.00
7	Maintenance of Civic Center parking lot per the attached Exhibit A8 and as described in the specifications	12	\$860.00	\$10,320.00
8	Maintenance of Alameda sound wall planter per the attached Exhibit A4 and as described in the specifications	12	\$741.00	\$8,892.00
9	Maintenance of trash receptacles on Century Blvd. per the attached Exhibit A9 and as described in the specifications	12	\$897.00	\$10,764.00
10	Maintenance of median on Firestone, East of Alameda per specifications	12	\$1,120.00	\$13,440.00
11	Maintenance on Firestone between Kauffman and Bryson per exhibit A4 and per specifications	12	\$540.00	\$6,480.00



Item No#	Description	Months/ Each	Price per month/ event	Annual amount
12	Maintenance of Atlantic median between Firestone Blvd and Abbott Road as per Exhibit A6 and per specifications	12	\$2,580.00	\$30,960.00
13	Maintenance of Tweedy median between Long Beach and Alameda as per Exhibit A7 and per specifications	12	\$590.00	\$7,080.00
14	Maintenance of State Street between Long Beach and Martin Luther King Blvd per Exhibit A10 and per specifications	12	\$395.00	\$4,740.00
15	Maintenance of trash receptacles and bus benches on Santa Ana and Seville per Exhibit A11 and per specifications	12	\$197.00	\$2,364.00
16	Maintenance of trash receptacles and bus benches on Long Beach between Palm and North City limits as per Exhibit A11 and per specifications	12	\$1,577.00	\$18,924.00
17	Maintenance of Miller Way	12	\$284.00	\$3,408.00
18	Maintenance of trash receptacle at State Street and Liberty Blvd	12	\$75.00	\$900.00
19	Maintenance of trash receptacles at Paramount Blvd and Main Street	12	\$75.00	\$900.00
20	Maintenance of trash receptacles at Firestone Pl and Garfield Blvd	12	\$75.00	\$900.00
21	Maintenance of trash receptacles at Santa Fe Ave.	12	\$75.00	\$900.00
22	Well 22-B Quarterly Maintenance per year	12	\$128.00	\$1,536.00
23	Maintenance of trash receptacles, tree wells and bus benches on Long Beach between Palm and Tweedy both sides of the street	12	\$270.00	\$3,240.00
24	Maintenance of trash receptacle at Imperial west of Garfield	12	\$75.00	\$900.00
25	Long Beach and Willow vacant lot (Quarterly Maintenance)	12	\$60.00	\$720.00
26	San Miguel vacant lot (Quarterly Maintenance)	12	\$60.00	\$720.00
27	10013 San Antonio Avenue - Parking Lot	12	\$60.00	\$720.00
28	Auto Accidents - Replanting and repairs	12	\$80.00	\$960.00
29	Firestone Blvd. North side-east of Alameda	12	\$350.00	\$4,200.00
30	Ardmore Ave @ west of Virginia Ave	12	\$125.00	\$1,500.00
31	Azalea - empty trash containers at bus shelter	12	\$75.00	\$900.00
32	Firestone - Hunt to Atlantic Atlantic- Patata to Firestone	12	\$490.00	\$5,880.00

PR - 15

***This Form Must be Submitted with the Proposal***

Item No#	Description	Months/ Each	Price per month/ event	Annual amount
33	Maintain path and decorative planter area on Southern	12	\$255.00	\$3,060.00
34	Atlantic Median - Patata at RR Tracks	12	\$295.00	\$3,540.00
35	Atlantic Landscape - Patata SWC	12	\$220.00	\$2,640.00
36	Southern Powerlines - California to Hildreth	12	\$160.00	\$1,920.00
37	Maintenance of daily trash receptacles on Tweedy Mile	12	\$225.00	\$2,700.00
38	Special events in Tweedy Boulevard (Per Event) Exhibit A1B	3	\$320.00	\$960.00
<b>A. SUB-TOTAL - ANNUAL MAINTENANCE SERVICES</b>			<b>\$20,777.00</b>	<b>\$246,444.00</b>

**B. EMERGENCY SERVICES**

	Service	Unit	Unit Price	Estimated Units	Extended Price
1	Crew - as needed (M-F, normal business hours) [1]	Man Hours	\$30.00	200	\$ 6,000.00
2	Crew - as needed (nights) [1]	Man Hours	\$30.00	250	\$ 7,500.00
3	Crew - as needed (weekends and/or holidays) [1]	Man Hours	\$38.00	250	8,750.00
<b>B. SUB-TOTAL - EMERGENCY SERVICES</b>					<b>\$ 22,250.00</b>

[1] Unit Price shall include mark-ups, overhead and profit.

[2] Payments will be made based on time and material.

**C. ATTACH A LABOR AND EQUIPMENT RATE SCHEDULE**

The rates shown on the firm's standard rate schedule shall include mark-ups, overhead, and profit. If in case the standard rate schedule does not include mark-ups, overhead, and profit, append an attachment showing the necessary allowances for mark-ups, overhead, and profit.



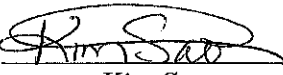
JUL 20 2021  
5:00pm

# City of South Gate

CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Administrative Services

Deputy Director:   
Kim Sao

Interim City Manager:   
Chris Jeffers

**SUBJECT: AGREEMENT WITH MV CHENG & ASSOCIATES FOR AS-NEEDED TEMPORARY STAFFING**

**PURPOSE:** To approve a Professional Services Agreement with MV Cheng & Associates to assist the City with its temporary staffing needs.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving a Professional Services Agreement with MV Cheng & Associates for the procurement of professional financial and accounting staff on an as-needed and temporary basis through June 30, 2022, in an amount not-to-exceed \$300,000; and
- b. Authorizing the Mayor to execute the Professional Services Agreement in a form acceptable to the City Attorney.

**FISCAL IMPACT:** Funding for this agreement will come from savings in the department salary and benefits budgets as temporary staffing will normally be used when covering vacancies or extended leaves.

**ANALYSIS:** None.

**BACKGROUND:** While positions in the Administrative Services remained unfilled, the City would like to continue to contract with MV Cheng & Associates to provide qualified professionals to assist with various budget and accounting duties for a period of one year retroactive to July 1, 2021 through June 30, 2022 for an amount not to exceed \$300,000.

As of July 1, 2021, three positions remained unfilled: 1) Director of Administrative Services, 2) Senior Financial Analyst, and 3) Senior Accountant. The City is in various stages of recruitment for the positions. It is a critical point in time for the department as the City is still considering a proposed budget for the fiscal year, is beginning its financial year-end process and is engaged in several labor discussions dealing with leave time caps that the City Council has been previously informed on. MV Cheng & Associates has staff with municipal knowledge and expertise in the area of budget and accounting to assist the City on a temporary/interim basis.

Previous contracts (Contract No. 2021-08-CC and Amendment No. 1 to Contract No. 2020-26-AC) with MV Cheng & Associates have expired as of June 30, 2021. Staff would like to incorporate all staffing needs under one new agreement going forward. All costs are being offset

by salary and benefit savings from the vacant positions. It is projected that all positions will be filled by Spring with full-time employees.

**ATTACHMENTS:** Proposed Professional Services Agreement

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN  
THE CITY OF SOUTH GATE AND MV CHENG & ASSOCIATES**

This Agreement for Professional Services ("Agreement") is made and entered into as of July 1, 2021, by and between the City of South Gate, a municipal corporation ("City"), and MV Cheng & Associates ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS**

**WHEREAS**, City does not have the personnel able and/or available to perform the services required under this Agreement; and

**WHEREAS**, Consultant warrants to City that it has a pool of sub-contractors with the skills, knowledge, qualifications, and expertise to perform properly and timely the Professional Services under this Agreement; and

**WHEREAS**, based on such representation, City desires to contract with Consultant to provide available professional financial and accounting staff on an as-needed basis.

**NOW, THEREFORE**, the Parties hereby agree as follows:

1. **SCOPE OF SERVICES.** City hereby engages Consultant, and Consultant accepts such engagement, to provide available professional staff to perform various financial and accounting tasks requested by the City. The Scope of Services may be mutually amended from time to time by both Parties in writing.
2. **COMPENSATION.** City shall pay Consultant for its professional services rendered and reasonable costs incurred pursuant to this Agreement. The cost of services shall not exceed **Three Hundred Thousand Dollars (\$300,000.00)**. No additional compensation shall be paid for any other expenses incurred unless first approved by the City Council.
  - 2.1 Travel time between the Consultant's office and City Hall shall not be billable. Consultant may request an exemption on a case-by-case basis, which shall be subject to City approval.
  - 2.2 Consultant shall be paid in accordance with the agreed-upon hourly rate included in a proposed engagement letter to be submitted by the Consultant with respect to the services requested by the City. Such hourly rates shall be between \$65-\$110 per hour depending on the assignment and skills of the professional staff.
  - 2.3 The Consultant shall submit to the City a bill of services within 15 calendar days after the end of each month. The City shall pay the consultant within forty-five (45) days of receipt of the invoice.
  - 2.4 No payment made hereunder by City to Consultant, other than the final payment, shall be construed as an acceptance by City of any work or materials, nor as

evidence of satisfactory performance by the Consultant of its obligations under this Agreement.

3. **TERM OF AGREEMENT.** This Agreement is effective retroactive to July 1, 2021 and will remain in effect through June 30, 2022, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided herein.

4. **CITY AGENT.** The City Manager, or his/her designee, for the purposes of this Agreement, is the agent for the City. Whenever approval or authorization is required, Consultant understands that the City Manager or his/her designee has the authority to provide that approval or authorization.

5. **CONFLICT OF INTEREST.** Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located within City which may be affected by the services to be performed by Consultant under this Agreement. Consultant further represents that in performance of this Agreement, no person having such interest shall be employed by it. Within ten (10) days, Consultant agrees that it will immediately notify City of any other conflict of interest that may exist or develop during the term of this Agreement.

5.1 Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage or accept any financial interest in the Consultant's business or in this Agreement by any City employee or official.

6. **GENERAL TERMS AND CONDITIONS.**

6.1 **Termination for Convenience.** The City may terminate this Agreement at any time without cause by giving fifteen (15) days written notice to Consultant of such termination and specifying the effective date thereof. In that event, all finished or unfinished documents and other materials shall, at the option of City, become its property. If this Agreement is terminated by City as provided herein, Consultant will be paid the total amount of its costs as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.

6.2 **Termination for Cause.**

6.2.1 The City may, by written notice to Consultant, terminate the whole or any part of this Agreement in any of the following circumstances:

- a. If Consultant fails to perform the services required by this Agreement within the time specified herein or any authorized extension thereof; or
- b. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance

of this Agreement in accordance with its terms, and in either of these circumstances does not correct such failure within a period of ten (10) days (or such longer period as City may authorize in writing) after receipt of notice from City specifying such failure.

- 6.2.2 In the event City terminates this Agreement in whole or in part as provided above in Subsection 6.2.1, City may procure, upon such terms and in such manner as it may deem appropriate, services similar to those terminated.
- 6.2.3 If this Agreement is terminated as provided above in Subsection 6.2.1, City may require Consultant to provide all finished or unfinished documents, data, studies, drawings, maps, photographs, reports, films, charts, sketches, computation, surveys, models, or other similar documentation prepared by Consultant. Upon such termination, Consultant shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents whether delivered to City or in possession of Consultant, and to authorized reimbursement expenses.
- 6.2.4 If, after notice of termination of the Agreement under the provisions of Subsection 6.2.1 above, it is determined, for any reason, that Consultant was not in default, or that the default was excusable, then the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Subsection 6.1 above.

**6.3 Non-Assignability.** Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of City.

**6.4 Non-Discrimination.**

- 6.4.1 Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, creed, gender, gender identity (including gender expression), color, religion, ancestry, sexual orientation, national origin, disability, age, marital status, family/parental status, or veteran/military status, in the performance of its services and duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, and County and City governments. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, disabled or age. Consultant will take affirmative action to ensure that all employment practices, including those of any subcontractors retained by Consultant to perform services under this Agreement, are free from such discrimination. Such employment practices include, but are not limited to: hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including



apprenticeship.

**6.4.2** The provisions of Subsection 6.4.2 above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 (relating to federal restrictions against discriminatory practices) is available for review and on file with the City Clerk's Office.

**6.5 Insurance.** Consultant shall submit to City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

**6.5.1** Workers' Compensation Insurance as required by law. Consultant shall require all subcontractors similarly to provide such workers' compensation insurance for their respective employees.

**6.5.2** Comprehensive general and automotive liability insurance protecting Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000, with an aggregate of \$2,000,000. Each such policy of insurance shall:

- a. Be issued by a financially responsible insurance company or companies admitted or authorized to do business in the State of California or which is approved in writing by City.
- b. Name and list as additional insured the City, its officers and employees.
- c. Specify its acts as primary insurance.
- d. Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled except upon thirty (30) days prior written notice to City of such cancellation or material change."
- e. Cover the operations of Consultant pursuant to the terms of this Agreement.

**6.6 Indemnification.** Consultant agrees to indemnify, defend and hold harmless City and/or any other City agency, including other employees, officers and representatives, for/from any and all claims or actions of any kind asserted against City and/or any other City agency arising out of Consultant's (including

Consultant's employees, representatives, products and subcontractors) negligent performance under this Agreement, excepting only such claims or actions which may arise out of sole or active negligence of City and/or any other City agency, or any third parties not acting on behalf of, at the direction of, or under the control of Consultant.

**6.7 Compliance With Applicable Law.** Consultant and City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and city governments, without regard to conflict of law principles.

**6.8 Independent Contractor.** This Agreement is by and between City and Consultant and is not intended, nor shall it be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between City and Consultant.

**6.8.1.** Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of City. Neither City nor any of its officers or employees shall have any control over the conduct of Consultant, or any of Consultant's employees, except as herein set forth, and Consultant expressly warrants not to, at any time or in any manner represent that it, or any of its agents, servants or employees are in any manner employees of City, it being distinctly understood that Consultant is and shall at all times remain to City a wholly independent contractor and Consultant's obligations to City are solely such as are prescribed by this Agreement.

**6.8.2.** Indemnification of CalPERS Determination - 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 CalPERS to be eligible for enrollment in CalPERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS 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.

**6.8.3** Business License Required. According to Title 2.08.40 of the South Gate Municipal Code, a business license will be required prior to doing business within the City, even if the business is located outside of the City. Verification of a valid South Gate business license will be required prior to start of work and any fees associated with the acquisition or maintenance of such business license shall be the sole responsibility of the Consultant.

**6.9 Consultant's Personnel.**

**6.9.1** All services required under this Agreement will be performed by Consultant, or under Consultant's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local

law to perform such services, including, without limitation, a City of South Gate business license as required by the South Gate Municipal Code.

**6.9.2** Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by City.

**6.9.3** Consultant shall be responsible for payment of all employees' and subcontractors' wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

**6.9.4** Consultant shall indemnify and hold harmless the City and all other related entities, officers, employees, and representatives from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices or of any acts or omissions by Consultant in connection with the work performed arising from this Agreement.

**6.10 Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of Consultant.

**6.11 Legal Construction.**

**6.11.1** This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California without regard to conflict of law principles.

**6.11.2** This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of the same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

**6.11.3** The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

**6.11.4** Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

**6.12 Counterparts.** This Agreement may be executed in counterparts and, as so executed, shall constitute an agreement which shall be binding upon all Parties herein.

- 6.13 Final Payment Acceptance Constitutes Release.** The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.
- 6.14 Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably, timely manner, such correction shall be made by City, and the cost thereof shall be charged to the Consultant.
- 6.15 Files.** All files of Consultant pertaining to City shall be and remain the property of City. Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.
- 6.16 Waiver; Remedies Cumulative.** Failure by a Party to insist upon the performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand compliance by such other Party in the future. No waiver by a Party of a default or breach of the other Party shall be effective or binding upon such a Party unless made in writing by such Party, and no such waiver shall be implied from any omissions by a Party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.
- 6.17 Mitigation of Damages.** In all such situations arising out of this Agreement, the Parties shall attempt to avoid and minimize the damages resulting from the conduct of the other Party.
- 6.18 Severability.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**6.19 Attorney's Fees.** The Parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any Party hereto to enforce this Agreement, the prevailing Party in such action shall be entitled to reasonable attorney's fees and costs in addition to all other relief to which that Party or those Parties may be entitled.

**6.20 Entire Agreement and Amendments.** This Agreement constitutes the whole agreement between City and Consultant, and neither Party has made any representations to the other except as expressly contained herein. Neither Party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any amendments, changes or modifications to this Agreement must be made in writing and appropriately executed by both City and Consultant.

**6.21 Notices.** Any notice required to be given hereunder shall be deemed to have been given by email transmission with confirmation of delivery and depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:**

City of South Gate  
Chris Jeffers  
Interim City Manager  
8650 California Avenue  
South Gate, CA 90280  
Email: [cjeffers@sogate.org](mailto:cjeffers@sogate.org)

**WITH COURTESY COPY TO:**

City Clerk's Office  
Carmen Avalos  
City Clerk  
8650 California Avenue  
South Gate, CA 90280  
Email: [cavalos@sogate.org](mailto:cavalos@sogate.org)

**TO CONSULTANT:**

MV Cheng & Associates  
102 W. 24<sup>th</sup> Street  
Upland, CA 91784  
Email: [mcheng@mvchengassociates.com](mailto:mcheng@mvchengassociates.com)

**6.22 Warranty of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.

**6.23 Consultation with Attorney.** Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

**6.24 Interpretation Against Drafting Party.** City and Consultant agree that they have cooperated in the review and drafting of this Agreement. Accordingly, in the event of any ambiguity, neither Party may claim that the interpretation of this Agreement shall be construed against either Party solely because that Party drafted all or a portion of this Agreement, or the clause at issue.

7. **EFFECTIVE DATE.** The effective date of this Agreement is retroactive to July 1, 2021, and will remain in effect through June 30, 2022, unless otherwise terminated in accordance with the terms of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

**CITY OF SOUTH GATE:**

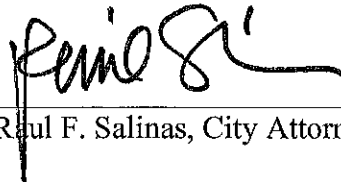
By: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVE AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**MV CHENG & ASSOCIATES:**

By: \_\_\_\_\_  
Misty Cheng, President & CEO

Dated: \_\_\_\_\_

CITY MANAGER'S OFFICE

# City of South Gate

CITY COUNCIL

JUL 21 2021

9:00 AM

# AGENDA BILL

For the Regular Meeting of: July 27, 2021

Originating Department: Police

Department Director:

*Randall Davis*  
Randall Davis

City Manager:

*Chris Jeffers*  
Chris Jeffers

**SUBJECT: AMENDMENT NO. 2 TO CONTRACT NO. 3525 WITH SEAACA TO PROVIDE ANIMAL CONTROL SERVICES**

**PURPOSE:** To approve Amendment No. 2 to Contract No. 3525, the Southeast Area Animal Control Authority (SEAACA) Agreement for Animal Control Services for Fiscal Years 2019/20 through 2023/24.

**RECOMMENDED ACTIONS:**

- a. Approve Amendment No. 2 to Contract No. 3525 with the Southeast Area Animal Control Authority for animal control and sheltering services, retroactively effective July 1, 2021, for an amount not to exceed \$672,617 for Fiscal Year 2021/22; and
- b. Authorize the Mayor to execute Amendment No. 2 in a form acceptable to the City Attorney.

**FISCAL IMPACT:** The net cost to the General Fund for animal control and sheltering services for Fiscal Year 2021/22 will not exceed \$672,617.

**ANALYSIS:** None

**BACKGROUND:** The proposed Amendment No. 2 for animal control and sheltering services for Fiscal Year 2021/22 is \$895,617, which is a 5% rate increase from last year's cost of \$850,538. The guaranteed licensing and penalty revenue fees will remain at \$223,000, which results in a net cost of \$672,617. The 5% rate increase accounts for salary increases and rising costs associated with electric, water, cleaning supplies, surgical supplies, contracted maintenance, and veterinary medicine. If license revenue fees exceed the pre-determined \$223,000, 50% of the excess funds will be retained by SEAACA and the other 50% will be rebated to the City following the close of Fiscal Year 2021/22.

**ATTACHMENT:** A. Proposed Amendment No. 2  
B. Contract No. 3525

**CITY OF SOUTH GATE - CONTRACT NO. 3525**  
**AMENDMENT NO. 2 TO THE AGREEMENT FOR ANIMAL CONTROL AND SHELTERING SERVICES**

THIS AMENDMENT NO. 2 to Contract No. 3525 to the July 1, 2019 Agreement for Animal Control and Sheltering Services is made and is entered into on July 27, 2021 and retroactively effective July 1, 2021 by and between the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY whose address is 9777 SEAACA Street, Downey, California 90241 (herein, "SEAACA") and the CITY OF SOUTH GATE, a California municipal corporation, whose address is 8620 California Avenue, South Gate, California 90280 (herein "CITY").

**RECITALS**

**WHEREAS**, CITY and SEAACA previously entered into an Agreement for Animal Control and Sheltering Services, Contract No. 3525, dated July 1, 2019 for Fiscal Years 2019/2020 through 2020/2024;

**WHEREAS**, The Agreement provides for annual costs and fees for Animal Control and Sheltering Services;

**WHEREAS**, on July 14, 2020, the City Council approved Amendment No. 1 to the Agreement, retroactively effective July 1, 2020, setting forth costs to CITY for Animal Control and Sheltering Services for the Fiscal Year 2020/2021; and

**WHEREAS**, SEAACA and CITY desire to execute Amendment No. 2 to the Agreement setting forth costs to CITY for Animal Control and Sheltering Services for the Fiscal Year 2021/2022.

**NOW THEREFORE**, SEAACA and CITY agree that the aforementioned Agreement for Animal Control and Sheltering Services dated July 1, 2019 shall be amended in the following regards:

SECTION II. Paragraph 2, Subsections a) and b) are amended to read as follows:

a) The total cost to the CITY for Fiscal Year 2021-2022 shall be \$895,617.00 offset by revenues collected by SEAACA in performance of this Agreement for license fees and penalties. SEAACA guarantees that the base revenues shall be \$223,000.00 for Fiscal Year 2020-2021; the guarantee will be provided by SEAACA annually. If license revenues exceed the guarantee, 50% shall be retained by SEAACA and 50% shall be returned to the CITY following the close of the fiscal year.

b) The net cost for Fiscal Year 2021-2022 to CITY for said services shall not exceed \$672,617.00 and shall be paid by CITY to SEAACA in two equal payments upon invoice on the following schedule: July 1, 2021, \$336,308.50 and \$336,308.50 on October 1, 2021. Said sums shall be paid within thirty (30) days after receipt of invoice. If payment is not delivered to SEAACA within thirty (30) days after CITY's receipt of invoice, SEAACA is entitled to recover interest thereon. Said interest shall be at the rate of ten percent (10%) per year, or any portion thereof, calculated from the last day of the month in which the services were performed. If such payment is not delivered to SEAACA within the time set forth hereinabove, SEAACA may satisfy such indebtedness, including interest thereon, from any funds of the CITY on deposit or to the credit of SEAACA, without giving further notice to CITY of SEAACA's intent to do so.



SECTION II. All of the remaining provisions of the Agreement for Animal Control and Sheltering Services shall remain the same.

IN WITNESS WHEREOF, THE CITY OF SOUTH GATE, by order of its City Council caused this AMENDMENT NO. 2 to be signed by its Mayor and attested to by its City Clerk, and the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY, (a.k.a. SEAACA), by order of its Commission, has caused this AMENDMENT NO. 2 to be subscribed by the Chairperson of said Commission and attested to by the Executive Director and/or Clerk of said Commission.

**CITY OF SOUTH GATE:**

BY: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTESTED:**

BY: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

BY:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**SOUTHEAST AREA ANIMAL CONTROL  
AUTHORITY:**

BY: \_\_\_\_\_  
Peggy Lemons, Chairperson

Dated: \_\_\_\_\_

**ATTESTED:**

BY: \_\_\_\_\_  
Denise Woodside, Executive Director

**APPROVED AS TO FORM:**

BY: \_\_\_\_\_  
Scott Nichols, SEAACA Attorney

AGREEMENT FOR ANIMAL CONTROL AND SHELTERING SERVICES

THIS AGREEMENT is entered into this 1<sup>st</sup> day of July 2019, by and between the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY whose address is 9777 SEAACA Street, Downey, California 90241 (herein, "SEAACA") and the CITY OF SOUTH GATE, a California Corporation, whose address is 8620 California Avenue, South Gate, California 90280 (herein "CITY").

RECITALS:

WHEREAS, SEAACA is a public agency organized by the Cities of Downey, Norwalk, Pico Rivera, Bell Gardens, Montebello, Paramount, Santa Fe Springs and South El Monte, pursuant to the provisions of section 6500 et seq. of the California Government Code for the purpose of providing animal control services within the boundaries of those cities and such other municipal corporations as are approved by SEAACA, and

WHEREAS, CITY has requested that SEAACA enter into this Agreement and provide Animal Control and Sheltering services to the CITY during the term thereof, which are more fully described hereinafter, and

WHEREAS, both CITY and SEAACA have authorized entering into this Agreement by formal action of their respective governing bodies, taken at properly noticed meetings;

NOW THEREFORE, in consideration of performance by the parties of the covenants and conditions herein contained, the parties hereto agree as follows:

SECTION I. SEAACA AGREES:

1. To perform the following services for CITY within the corporate limits of CITY:
  - a) To provide one (1) assigned officer, totaling forty (40) hours per week.
  - b) To patrol the streets of CITY as many additional hours per month as necessary to enforce the provisions of the SOUTH GATE's Municipal Code relating to animal control.
  - c) To enforce all applicable leash law requirements.
  - d) To enforce all applicable standards for animal care.
  - e) To operate an animal control shelter; to maintain its kennels and premises in a sanitary condition at all times; to comply with all applicable laws of the State of California; and to give the prescribed notices and use humane methods for the care and destruction of any animal coming under its jurisdiction.
  - f) To enforce all applicable State statutes, with respect to those services as are customarily rendered by SEAACA.
  - g) To pick up and impound stray, sick, or injured animals from the public streets and private property.
  - h) To pick up dead animals within 24 hours.
  - i) To investigate complaints relating to animal cruelty.
  - j) To provide prompt 24 hour per day emergency service response for injured or vicious animals.
  - k) To provide all services and materials to establish and maintain a licensing and canvassing program.

l) To canvass all delinquent licenses each year and every household in the CITY a minimum of once every two years to ensure that all animals required to have licenses are indeed licensed.

m) To provide for licensing services at two rabies clinics each year to be organized and administered by SEAACA.

n) To keep and maintain during the term of this Agreement, books, and records pertaining to the licensing of dogs, collection of fees, and impounding of animals. Said books and records shall be available for audit and examination by the CITY during normal business hours and with reasonable notice. During the term of this Agreement, SEAACA will report to CITY the total dollar amount of license fees collected. SEAACA shall maintain a record of all complaints received and shall furnish the CITY, upon request, with a written record of the complaints and the way in which complaints were handled.

2. That if requested in writing by CITY, additional services above those described herein may be performed by SEAACA when SEAACA determines that such additional services will not interfere with the maintenance level of the animal control services provided elsewhere by SEAACA. CITY will pay for such additional services in such amounts as are agreed to by SEAACA and CITY.

#### SECTION II. CITY AGREES:

1. To cooperate and assist SEAACA in performing its obligations hereunder, including the adoption of SEAACA's Model Ordinance.

2. That for and in consideration of the rendition of services pursuant to this Agreement:

a) The total cost to the CITY for Fiscal Year 2019/2020 shall be \$821,776.00 offset by revenues collected by SEAACA in performance of this Agreement for license fees and penalties. SEAACA guarantees that said revenues shall be \$223,000.00. If license revenues exceed that amount, 50% shall be returned to the CITY following the close of the fiscal year.

b) The net annual cost to CITY for said services shall not exceed \$598,776.00 and shall be paid by CITY to SEAACA upon invoice on the following schedule: \$299,388.00 on July 1, 2019 and \$299,388.00 on October 1, 2019. Said sums shall be paid within thirty (30) days after receipt of invoice. If payment is not delivered to SEAACA within thirty (30) days after CITY's receipt of invoice, SEAACA is entitled to recover interest thereon. Said interest shall be at the rate of ten percent (10%) per year, or any portion thereof, calculated from the last day of the month in which the services were performed. If such payment is not delivered to SEAACA within the time set forth hereinabove, SEAACA may satisfy such indebtedness, including interest thereon, from any funds of the CITY on deposit or to the credit of SEAACA, without giving further notice to CITY of SEAACA's intent to do so.

c) SEAACA shall be entitled to and shall retain all monies that it collects from residents of the CITY for impounding, boarding, adoptions, spay/neuter fines and other penalties/fines imposed by the State of California.

d) The compensation and financial provisions of subsections b) and c) of Paragraph 2 of Section II, shall be adjusted annually by mutual agreement of the Parties. Prior to the end of each year of this Agreement, the parties shall commence negotiations to determine the compensation and financial provisions to apply for the next year of this Agreement. If the Parties are unable to

agree, the parties may extend this agreement in writing on a month-to-month basis based on mutually agreeable written temporary compensation and financial provisions, or terminate this Agreement. The compensation and financial provisions agreed upon by the Parties after the first year of this contract shall be reduced to writing and signed by all Parties.

SEAACA shall retain all fees and/or fines collected resulting from Administrative Hearings conducted by SEAACA.

### SECTION III. THE PARTIES AGREE:

1. That the service performed by SEAACA shall only encompass those duties and functions of SEAACA which are rendered by it and which it is authorized to provide pursuant to the provisions of the Joint Exercise of Powers Agreement and the statutes of this State.
2. That the rendition of services performed hereunder, the standard of performance and other matters incidental to the performance of such service and control of personnel so employed shall remain in SEAACA. In the event that a dispute arises between SEAACA and the CITY as to the extent of the duties and functions to be rendered hereunder or the manner of the performance of such services, the determination thereof shall be made by the SEAACA Board of Commissioners.
3. That for the purpose of performing all functions, SEAACA shall furnish and supply all necessary labor, supervision, equipment, and supplies necessary to provide the level of services to be rendered hereunder.
4. That all persons employed by SEAACA in the performance of this Agreement shall be SEAACA employees and no CITY employee as such shall be taken over by said SEAACA, and no person employed hereunder shall have any CITY pension, civil service, or any status or right.
5. The CITY agrees to cooperate and meet with SEAACA regarding changes in service delivery options to assist with implementation of new programs to enhance services to the community.

### SECTION IV. INDEMNIFICATION:

1. That CITY shall not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation for any SEAACA personnel performing services hereunder for said SEAACA, or any liability other than that provided for in this Agreement. Except as herein otherwise specified the CITY shall not be liable for compensation or indemnity to any SEAACA employee for injury or sickness arising out of his/her employment.
2. That SEAACA, its officers and employees, shall not be deemed to assume any liability for intentional or negligent acts of said CITY or of any officer or employee thereof, nor for any defective or dangerous condition of City-owned real property, and CITY shall hold SEAACA and its officers and employees harmless from, and shall defend SEAACA and the officers and employees thereof against, any claim for damages resulting there from.
3. That CITY, its officers and employees shall not be deemed to assume any liability for intentional or negligent acts of SEAACA or of any officer or employee thereof, and SEAACA shall hold CITY and its officers and employees harmless from, and shall defend CITY and the officers and employees thereof against, any claim for damages resulting there from.

#### SECTION V. INSURANCE:

SEAACA is a member of the California Joint Powers Insurance Authority (California JPIA), and participates in self-insurance and commercial insurance programs administered by the California JPIA for its members. Primary Liability Program, including Automobile Liability Coverage Limit is \$1,000,000 per occurrence, Annual Aggregate Limit shall be \$1,000,000; Workers' Compensation Program Coverage Limits shall be Statutory, Employers Liability is \$1,000,000.

#### SECTION VI. TERM:

1. That the term of this Agreement shall be for the period of five years, July 1, 2019 through June 30, 2024, inclusive, unless the Agreement is terminated as herein provided. CITY and SEAACA may extend this Agreement at its expiration for an additional five year period by mutual written agreement.
2. Should SEAACA default during the term of this Agreement in the performance of its obligations as set forth herein and fail to cure said default within fifteen (15) days' written notice to do so, then CITY may terminate this Agreement. And upon payment to SEAACA of monies owing to SEAACA, less any credits to the CITY by SEAACA, for satisfactory performances rendered pursuant to this Agreement and through the date of said termination, thereafter there shall be no obligation of the CITY to SEAACA. Should CITY fail to pay the sums owing to SEAACA as provided hereunder or otherwise default on any provision of this Agreement and fail to cure said default within fifteen (15) days written notice to do so, then SEAACA may terminate this Agreement and upon the effective date of the termination, and upon payment to CITY of monies owing to CITY, there shall be no further obligation of SEAACA to the CITY. Such termination shall not be deemed a waiver of any rights SEAACA may have against CITY for any sums due to SEAACA under the terms of this Agreement.
3. Either SEAACA or CITY may terminate this Agreement by giving the other party ninety (90) days prior written notice.

#### SECTION VII. AMENDMENT:

This Agreement shall not be amended, or any provision or breach hereof waived, except in writing signed by the parties expressly referring to this Agreement.

#### SECTION VIII. NOTICE:

That any notice required to be sent hereunder shall be deemed received if addressed to the address of the parties as set forth hereunder and deposited, postage prepaid, in the United States Post Office, or to such other address as the parties may, from time to time, in writing furnish to the other party.

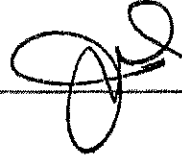
IN WITNESS WHEREOF, THE CITY OF SOUTH GATE, by order of its City Council caused this Agreement to be signed by its Mayor and attested to by its Clerk, and the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY, (a.k.a. SEAACA), by order of its Commission, has caused this Agreement to be signed by its Chairperson of said Commission and attested to by SEAACA's Executive Director.

AGREEMENT WITH SOUTHEAST AREA ANIMAL CONTROL AUTHORITY FOR  
ANIMAL CONTROL AND SHELTERING SERVICES: JULY 1, 2019 THROUGH JUNE 30, 2024

-Signature Page-

CITY OF SOUTH GATE

BY: \_\_\_\_\_



Jorge Morales, Mayor

ATTEST:



Carmen Avalos, City Clerk

APPROVED AS TO FORM AND CONTENT



Raul F. Salinas, City Attorney

SOUTHEAST AREA  
ANIMAL CONTROL AUTHORITY


BY: \_\_\_\_\_



Marco Barcena, Chairperson

~~Kimberly Cobos Cowthorne~~

ATTEST:



Sally Hazzard, Executive Director

APPROVED AS TO FORM AND CONTENT



Scott Nichols, SEAACA Attorney

## CITY OF SOUTH GATE - CONTRACT NO. 3525

AMENDMENT NO. 1 TO THE AGREEMENT FOR ANIMAL CONTROL AND SHELTERING SERVICES

THIS AMENDMENT NO. 1 to the July 1, 2019 Agreement for Animal Control and Sheltering Services is made and is entered into on July 14, 2020 and retroactively effective July 1, 2020 by and between the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY whose address is 9777 SEAACA Street, Downey, California 90241 (herein, "SEAACA") and the CITY OF SOUTH GATE, a California Corporation, whose address is 8620 California Avenue, South Gate, California 90280 (herein "CITY").

## RECITALS

WHEREAS, CITY and SEAACA previously entered into an Agreement for Animal Control and Sheltering Services dated July 1, 2019 for the fiscal years 2019-2024; and

WHEREAS, The Agreement provides for annual costs and fees for Animal Control and Sheltering Services; and

WHEREAS, SEAACA and CITY desire to set forth costs to CITY for Animal Control and Sheltering Services for the Fiscal Year 2020-2021.

NOW THEREFORE, SEAACA and CITY agree that the aforementioned Agreement for Animal Control and Sheltering Services dated July 1, 2019 shall be amended in the following regards:

SECTION II. Paragraph 2, Subsections a) and b) are amended to read as follows:

a) The total cost to the CITY for Fiscal Year 2020-2021 shall be \$850,538.00 offset by revenues collected by SEAACA in performance of this Agreement for license fees and penalties. SEAACA guarantees that the base revenues shall be \$223,000.00 for Fiscal Year 2020-2021; the guarantee will be provided by SEAACA annually. If license revenues exceed the guarantee, 50% shall be retained by SEAACA and 50% shall be returned to the CITY following the close of the fiscal year.

b) The net cost for Fiscal Year 2020-2021 to CITY for said services shall not exceed \$627,538.00 and shall be paid by CITY to SEAACA in two equal payments upon invoice on the following schedule: July 1, 2020, \$313,769.00 and \$313,769.00 on October 1, 2020. Said sums shall be paid within thirty (30) days after receipt of invoice. If payment is not delivered to SEAACA within thirty (30) days after CITY's receipt of invoice, SEAACA is entitled to recover interest thereon. Said interest shall be at the rate of ten percent (10%) per year, or any portion thereof, calculated from the last day of the month in which the services were performed. If such payment is not delivered to SEAACA within the time set forth hereinabove, SEAACA may satisfy such indebtedness, including interest thereon, from any funds of the CITY on deposit or to the credit of SEAACA, without giving further notice to CITY of SEAACA's intent to do so.

SECTION II. All of the remaining provisions of the Agreement for Animal Control and Sheltering Services shall remain the same.

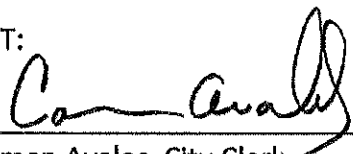
IN WITNESS WHEREOF, THE CITY OF SOUTH GATE, by order of its City Council caused this AMENDMENT NO. 1 to be signed by its Mayor and attested to by its Clerk, and the SOUTHEAST AREA ANIMAL CONTROL AUTHORITY, (a.k.a. SEAACA), by order of its Commission, has caused this AMENDMENT NO. 1 to be subscribed by the Chairperson of said Commission and attested to by the Executive Director and/or Clerk of said Commission.

CITY OF SOUTH GATE:

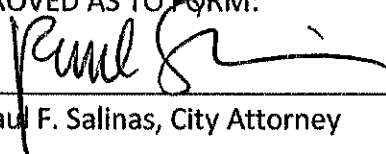
BY:   
Maria Davila, Mayor

Dated: 7-23-2020

ATTEST:

BY:   
Carmen Avalos, City Clerk

APPROVED AS TO FORM:

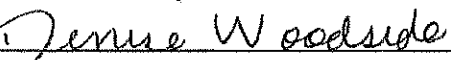
BY:   
Raul F. Salinas, City Attorney

SOUTHEAST AREA ANIMAL CONTROL  
AUTHORITY:

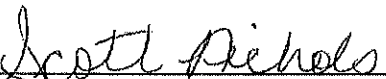
BY:   
Kimberly Cobos Cawthorne, Chairperson

Dated: \_\_\_\_\_

ATTEST:

BY:   
Denise Woodside, Executive Director

APPROVED AS TO FORM:

BY:   
Scott Nichols, SEAACA Attorney



**City of South Gate**  
CITY COUNCIL

**Item No. 9**

**AGENDA BILL**

*For the Regular Meeting of: July 27, 2021*

**Originating Department: City Attorney's Office**

**Department Head:**

*Raul F. Salinas*  
Raul F. Salinas

**Interim City Manager:**

*Chris Jeffers*  
Chris Jeffers

**SUBJECT: AGREEMENTS WITH TELECOM LAW FIRM, P.C. FOR SPECIALIZED LEGAL SERVICES AND CONSULTING SERVICES**

**PURPOSE:** To approve agreements with Telecom Law Firm, P.C. ("Law Firm") for specialized legal services in the area of wireless and wired telecommunication law.

**RECOMMENDED ACTIONS:**

- a. Approve Agreement with Telecom Law Firm, P.C. to provide specialized legal services on wireless and wired telecommunication law; and
- b. Approve agreement with Telecom Law Firm, P.C. to provide wireless consulting services; and
- c. Authorize the Mayor to execute both agreements in a form acceptable to the City Attorney.

**FISCAL IMPACT:** The Law Firm will charge \$12,000 to assist in updating the City's ordinance governing its statutory processing obligations involving applications from telecommunications companies, to be paid from the City Attorney's professional services account. The Law Firm will also charge \$2,350 per application reviewed. The exact amount of applications and fees to be billed from the Law Firm is unknown at this time; however, it is contemplated that the fees will be paid from deposit funds received from telecommunication companies seeking to install wireless telecommunication antennas throughout the City. These deposits will create a net-zero impact to the General Fund; meaning, that the permittee will pay at-cost for all expenditures deriving from the request.

**ANALYSIS:** The City is about to begin receiving and reviewing wireless telecommunication applications with various telecommunication companies (i.e., Verizon, AT&T, T-Mobile, Crown Castle, Mobilitie, and others) and desires to engage the specialized legal services of the Law Firm to provide wireless and wired telecommunication law services, as needed, during this process.

**BACKGROUND:** The City Attorney recommends that the City include this additional law firm to provide legal representation in certain specialized areas of law, specifically, wireless and wired telecommunication law services. The hourly rate for partners, associates and paralegals is \$315.00, \$265.00, and \$175.00, respectively.

- ATTACHMENT:**
- A. Approve Agreement with Telecom Law Firm, P.C. for specialized legal services.
  - B. Agreement with Telecom Law Firm, P.C. for wireless consulting services.

**AGREEMENT FOR PROFESSIONAL SERVICES FOR  
LEGAL SERVICES BETWEEN THE CITY OF SOUTH GATE AND  
TELECOM LAW FIRM, P.C.**

This Agreement for Professional Services for legal services ("Agreement") is made and entered into on July 27, 2021, by and between the City of South Gate, a municipal corporation ("City"), and Telecom Law Firm, a professional corporation ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS**

**WHEREAS**, City desires to retain Consultant for legal services related to telecommunication matters; and

**WHEREAS**, Consultant warrants to City that it has the requisite skills, knowledge, qualifications, manpower and expertise to perform properly and timely the Professional Services under this Agreement; and

**WHEREAS**, based on such representation, City desires to contract with Consultant to perform the services described in the Scope of Services attached hereto as Exhibit "A" of this Agreement.

**NOW, THEREFORE**, the Parties hereby agree as follows:

1. **SCOPE OF SERVICES.** City hereby engages Consultant, and Consultant accepts such engagement, to perform the services set forth in the Scope of Services as described in Exhibit "A" attached hereto and made part of this Agreement. The Scope of Services may be mutually amended from time to time by both Parties in writing.
2. **COMPENSATION.** The total amount of compensation for this Agreement shall not exceed the sum of Twelve Thousand Dollars (\$12,000.00) as described in Consultant's proposal attached hereto as Exhibit "A." City shall pay Consultant for its professional services rendered and reasonable costs incurred pursuant to this Agreement. No additional compensation shall be paid for any other expenses incurred unless first approved by the City Manager.
  - 2.1 Consultant shall be required to attend meetings at City Hall as necessary in the delivery of the projects. Travel time between the Consultant's office and City Hall shall not be billable. Consultant may request an exemption on a case by case basis, which shall be subject to City approval.
  - 2.2 Consultant shall be paid in accordance with the schedule included in Consultant's proposal attached hereto as Exhibit "A." City shall pay the Consultant within thirty (30) days of receipt of the invoice.
  - 2.3 No payment made hereunder by City to Consultant, other than the final payment, shall be construed as an acceptance by City of any work or materials, nor as evidence of satisfactory performance by Consultant of its obligations under this

Agreement.

3. **TERM OF AGREEMENT.** This Agreement is effective as of July 27, 2021, and will remain in effect through and including project completion, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided herein.
4. **CITY AGENT.** The City Manager, for the purposes of this Agreement, is the agent for the City. Whenever approval or authorization is required, Consultant understands that the City Manager has the authority to provide that approval or authorization.
5. **CONFLICT OF INTEREST.** Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located within City which may be affected by the services to be performed by Consultant under this Agreement. Consultant further represents that in performance of this Agreement, no person having such interest shall be employed by it. Within ten (10) days, Consultant agrees that it will immediately notify City of any other conflict of interest that may exist or develop during the term of this Agreement.
  - 5.1 Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage or accept any financial interest in the Consultant's business or in this Agreement by any City employee or official.
6. **GENERAL TERMS AND CONDITIONS.**
  - 6.1 **Termination for Convenience.** The City may terminate this Agreement at any time without cause by giving fifteen (15) days written notice to Consultant of such termination and specifying the effective date thereof. In that event, all finished or unfinished documents and other materials shall, at the option of City, become its property. If this Agreement is terminated by City as provided herein, Consultant will be paid the total amount of its costs as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.
  - 6.2 **Termination for Cause.**
    - 6.2.1 The City may, by written notice to Consultant, terminate the whole or any part of this Agreement in any of the following circumstances:
      - a. If Consultant fails to perform the services required by this Agreement within the time specified herein or any authorized extension thereof; or
      - b. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these

circumstances does not correct such failure within a period of ten (10) days (or such longer period as City may authorize in writing) after receipt of notice from City specifying such failure.

**6.2.2** In the event City terminates this Agreement in whole or in part as provided above in Subsection 6.2.1, City may procure, upon such terms and in such manner as it may deem appropriate, services similar to those terminated.

**6.2.3** If this Agreement is terminated as provided above in Subsection 6.2.1, City may require Consultant to provide all finished or unfinished documents, data, studies, drawings, maps, photographs, reports, films, charts, sketches, computation, surveys, models, or other similar documentation prepared by Consultant. Upon such termination, Consultant shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents whether delivered to City or in possession of Consultant, and to authorized reimbursement expenses.

**6.2.4** If, after notice of termination of the Agreement under the provisions of Subsection 6.2.1 above, it is determined, for any reason, that Consultant was not in default, or that the default was excusable, then the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Subsection 6.1 above.

**6.3 Non-Assignability.** Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of City.

**6.4 Non-Discrimination.**

**6.4.1** Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, creed, gender, gender identity (including gender expression), color, religion, ancestry, sexual orientation, national origin, disability, age, marital status, family/parental status, or veteran/military status, in the performance of its services and duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, and County and City governments. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, disabled or age. Consultant will take affirmative action to ensure that all employment practices, including those of any subcontractors retained by Consultant to perform services under this Agreement, are free from such discrimination. Such employment practices include, but are not limited to: hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**6.4.2** The provisions of Subsection 6.4.2 above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 (relating to federal restrictions against discriminatory practices) is available for review and on file with the City Clerk's Office.

**6.5 Insurance.** Consultant shall submit to City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

**6.5.1** Workers' Compensation Insurance as required by law. Consultant shall require all subcontractors similarly to provide such workers' compensation insurance for their respective employees.

**6.5.2** Comprehensive general and automotive liability insurance protecting Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000, with an aggregate of \$2,000,000. Each such policy of insurance shall:

- a. Be issued by a financially responsible insurance company or companies admitted or authorized to do business in the State of California or which is approved in writing by City.
- b. Name and list as additional insured the City, its officers and employees.
- c. Specify its acts as primary insurance.
- d. Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled except upon thirty (30) days prior written notice to City of such cancellation or material change."
- e. Cover the operations of Consultant pursuant to the terms of this Agreement.

**6.6 Indemnification.** Consultant agrees to indemnify, defend and hold harmless City and/or any other City agency, including other employees, officers and representatives, for/from any and all claims or actions of any kind asserted against City and/or any other City agency arising out of Consultant's (including Consultant's employees, representatives, products and subcontractors) negligent

performance under this Agreement, excepting only such claims or actions which may arise out of sole or active negligence of City and/or any other City agency, or any third parties not acting on behalf of, at the direction of, or under the control of Consultant.

**6.7 Compliance With Applicable Law.** Consultant and City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and city governments, without regard to conflict of law principles.

**6.8 Independent Contractor.** This Agreement is by and between City and Consultant and is not intended, nor shall it be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between City and Consultant.

**6.8.1.** Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of City. Neither City nor any of its officers or employees shall have any control over the conduct of Consultant, or any of Consultant's employees, except as herein set forth, and Consultant expressly warrants not to, at any time or in any manner represent that it, or any of its agents, servants or employees are in any manner employees of City, it being distinctly understood that Consultant is and shall at all times remain to City a wholly independent contractor and Consultant's obligations to City are solely such as are prescribed by this Agreement.

**6.8.2.** Indemnification of CalPERS Determination - 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 CalPERS to be eligible for enrollment in CalPERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS 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.

**6.8.3** Business License Required. According to Title 2.08.40 of the South Gate Municipal Code, a business license will be required prior to doing business within the City, even if the business is located outside of the City. Verification of a valid South Gate business license will be required prior to start of work and any fees associated with the acquisition or maintenance of such business license shall be the sole responsibility of the Consultant.

**6.9 Consultant's Personnel.**

**6.9.1** All services required under this Agreement will be performed by Consultant, or under Consultant's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services, including, without limitation, a City of South

Gate business license as required by the South Gate Municipal Code.

- 6.9.2 Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by City.
- 6.9.3 Consultant shall be responsible for payment of all employees' and subcontractors' wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.
- 6.9.4 Consultant shall indemnify and hold harmless the City and all other related entities, officers, employees, and representatives from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices or of any acts or omissions by Consultant in connection with the work performed arising from this Agreement.
- 6.10 **Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of Consultant.
- 6.11 **Legal Construction.**
  - 6.11.1 This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California without regard to conflict of law principles.
  - 6.11.2 This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of the same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
  - 6.11.3 The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
  - 6.11.4 Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.
- 6.12 **Counterparts.** This Agreement may be executed in counterparts and, as so executed, shall constitute an agreement which shall be binding upon all Parties herein.
- 6.13 **Final Payment Acceptance Constitutes Release.** The acceptance by Consultant

of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

- 6.14 Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably, timely manner, such correction shall be made by City, and the cost thereof shall be charged to the Consultant.
- 6.15 Files.** All files of Consultant pertaining to City shall be and remain the property of City. Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.
- 6.16 Waiver; Remedies Cumulative.** Failure by a Party to insist upon the performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand compliance by such other Party in the future. No waiver by a Party of a default or breach of the other Party shall be effective or binding upon such a Party unless made in writing by such Party, and no such waiver shall be implied from any omissions by a Party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.
- 6.17 Mitigation of Damages.** In all such situations arising out of this Agreement, the Parties shall attempt to avoid and minimize the damages resulting from the conduct of the other Party.
- 6.18 Severability.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- 6.19 Attorney's Fees.** The Parties hereto acknowledge and agree that each will bear his



or its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any Party hereto to enforce this Agreement, the prevailing Party in such action shall be entitled to reasonable attorney's fees and costs in addition to all other relief to which that Party or those Parties may be entitled.

**6.20 Entire Agreement and Amendments.** This Agreement constitutes the whole agreement between City and Consultant, and neither Party has made any representations to the other except as expressly contained herein. Neither Party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any amendments, changes or modifications to this Agreement must be made in writing and appropriately executed by both City and Consultant.

**6.21 Notices.** Any notice required to be given hereunder shall be deemed to have been given by email transmission with confirmation of delivery and depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:**

City of South Gate  
Chris Jeffers  
Interim City Manager  
8650 California Avenue  
South Gate, CA 90280  
Email: [cjeffers@sogate.org](mailto:cjeffers@sogate.org)

**WITH COURTESY COPY TO:**

City Clerk's Office  
Carmen Avalos  
City Clerk  
8650 California Avenue  
South Gate, CA 90280  
Email: [cavalos@sogate.org](mailto:cavalos@sogate.org)

**TO CONSULTANT:**

Telecom Law Firm  
Robert C. May, III  
2001 S. Barrington Avenue, Ste 306  
Los Angeles, CA. 90025  
Email:

**6.22 Warranty of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.

**6.23 Consultation with Attorney.** Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

**6.24 Interpretation Against Drafting Party.** City and Consultant agree that they have cooperated in the review and drafting of this Agreement. Accordingly, in the event of any ambiguity, neither Party may claim that the interpretation of this Agreement shall be construed against either Party solely because that Party drafted all or a portion of this Agreement, or the clause at issue.

7. **EFFECTIVE DATE.** The effective date of this Agreement is July 27, 2021, and will remain in effect through and until project completion, unless otherwise terminated in accordance with the terms of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

**CITY OF SOUTH GATE:**

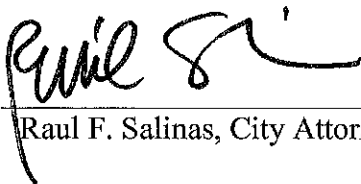
By: \_\_\_\_\_  
Chis Jeffers, Interim City Manager

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVE AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**TELECOM LAW FIRM:**

By: \_\_\_\_\_  
Robert C. May, III

Dated: \_\_\_\_\_



**Sent via email:**

July 1, 2021  
Ms. Alma Medina  
[ammedina@sogate.org](mailto:ammedina@sogate.org)  
Management Analyst  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280

**RE:** City of South Gate SWF Telecommunications Regulations

**Subject:** Proposal to Provide Legal Services

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Dear Ms. Medina:

Thank you for your renewed interest in our firm's services. Telecom Law Firm would be honored to serve the City of South Gate (the "City") with its telecommunications matters. This letter contains a proposed scope and fee schedule for the updating of the Municipal Code for Small Wireless Facility ("SWF") as well as creating a SWF application form.

## **PROPOSAL**

### **1. KEY PERSONNEL**

Telecom Law Firm's lead attorneys assigned this project will be Dr. Jonathan L. Kramer and Mr. Robert C. May III. The lead attorneys will be primarily responsible for the services provided. Dr. Kramer and Mr. May will be assisted by associate attorneys and other professionals in our firm under their direction.

Associate attorneys will be assigned to assist the lead attorneys.

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## 2. SERVICES

- a. **Draft Ordinance.** Telecom Law Firm shall prepare and deliver proposed revisions and additions to the City's Municipal ("**Draft Ordinance**") relating to SWFs in accordance with the City's local values and all applicable federal, state, and local laws and regulations.

The associate attorneys will handle the drafting the revisions of the Draft Ordinance. Then, the lead attorneys will review the Draft Ordinance. Consultation with City staff will generally be by telephone and/or email, and Telecom Law Firm's personnel will generally not be required to travel to complete this task.

- b. **SWF Application Materials.** If the City directs Telecom Law Firm to prepare the draft ordinance, then Telecom Law Firm shall not charge any fees to draft the application, a checklist, and a worksheet for SWFs (the "**SWF Application Materials**").

The professional staff will handle the drafting the revisions of the SWF Application Materials. Then, the lead attorneys will review the SWF Application Materials. Consultation with City staff will generally be by telephone and/or email, and Telecom Law Firm's personnel will generally not be required to travel to complete this task.

- c. **Additional Services.** At the City's request, and subject to the terms and conditions in this proposal and any other valid agreement between the City and Telecom Law Firm, Telecom Law Firm shall (1) remotely staff public workshops, meetings with industry stakeholders and public meetings before elected and appointed decision-making bodies; (2) assist the City prepare staff reports and responses to comments from the public; (3) provide legal opinions on specific issues in connection with the Draft Ordinance and policies; and (4) provide all services reasonably necessary to introduce and adopt the Draft Ordinance and implement the Application Materials (collectively, the "**Additional Services**").

Telecom Law Firm personnel will staff meetings through real-time telecommunications at the City's request. In-person meetings are subject to Telecom Law Firm's discretion based on its assessment of safety issues related to the current pandemic.

Telecom Law Firm's attendance, or any particular member's attendance, at such meetings is not guaranteed. Telecom Law Firm schedules meetings on a first-ask, first-schedule basis and advises the City to notify Telecom Law Firm about any



potential meeting dates as soon as possible. Telecom Law Firm will certainly try to accommodate the City's requests when timely given.

### 3. AD HOC SERVICES

In addition to the services described in Section 2, Telecom Law Firm will be available to the City for advice, consultation and other legal services related to telecommunications infrastructure regulation, policy, technology and/or transactions within the firm's experience and expertise. The services described in this Section 3 do not include any litigation services or representation in any judicial or administrative proceedings, which will require a separate written agreement that either party may decline in their sole discretion.

### 4. COST PROPOSAL

- a. **Flat Fees.** Telecom Law Firm shall charge a flat fee for the following tasks:
  - i. **Draft Ordinance:** Telecom Law Firm shall charge a flat fee of \$12,000 payable in three installments for the Ordinance. The first installment of 45% of the flat fee shall be invoiced to the City after the City directs Telecom Law Firm to commence the work. The second installment of 45% of the flat fee shall be invoiced to the City after Telecom Law Firm delivers the draft work product to the City. And the final installment of 10% shall be invoiced to the City after the draft work product is published for public comment in advance of its consideration by the Planning Commission and/or City Council. The flat fee shall include consultation time with the City's staff spent by Telecom Law Firm personnel during the internal review process up to the work product's publication.
  - ii. **SWF Applications Materials:** Telecom Law Firm shall not charge any fees for drafting the SWF Application Materials.
- b. **Hourly Rates.** Telecom Law Firm shall charge an hourly rate for all time spent by Telecom Law Firm personnel in connection with the Additional Services and Ad Hoc Services requested by the City. The hourly rates are specified in **Schedule 1**, attached to this proposal, and incorporated by this reference. The Schedule 1 rates attached to this proposal are specially discounted from our normal government rates in recognition of the scope and importance of the larger projects identified above in Section 2. All hourly rates will automatically increase by three percent (3%) each year on the anniversary of the effective date of an agreement with the City to provide the services described in this proposal. Travel time will be billed at fifty percent (50%) rate, except when Telecom Law Firm personnel spend time in transit



performing Services for the City (e.g., a telephone call en route to a meeting). Telecom Law Firm shall not bill the City for more than one attorney's time at any in-person meeting, unless approved by the City in advance. All time is billed in six-minute increments (0.1 hours). Telecom Law Firm shall not bill the City for time spent to prepare invoices, open, or close a client file or other administrative tasks not directly related to the provision of services.

- c. **Expenses.** Telecom Law Firm may incur expenses that will be billed to the City. All expenses are billed at cost with no mark up. Ordinary expenses, such as copying, printing, postage and other administrative costs directly related to the services rendered to the City shall not require the City's prior approval. Extraordinary expenses include any single expense (other than airfare or hotel fees for a meeting at the City's request) that exceeds \$250 shall require the City's prior approval.
- d. **Invoices.** Invoices for hourly fees and associated expenses shall be issued approximately every thirty (30) days and will describe (1) the task performed; (2) the person who performed the task; (3) the applicable hourly rate; and (4) the total time spent on each task.

Invoices for flat fees shall be issued according to the separate proposal requested and accepted by the City. Invoices will be due within 30 days after received by the City.

- e. **Fee Deposit.** No initial fee deposit shall be required under this proposal. Telecom Law Firm reserves the right to require a fee deposit in the future for security purposes.

Any such fee deposits if required will be held in a client trust account in accordance with all applicable California Bar regulations. Any fee deposits required will be reasonably estimated by Telecom Law Firm to reflect the cost to provide the services requested by the City and/or the security required by Telecom Law Firm. However, such fee deposits are estimates and not guarantees and the actual hourly cost, which may exceed the fee deposit(s).

## 5. CONSULTANTS AND SUBCONTRACTORS

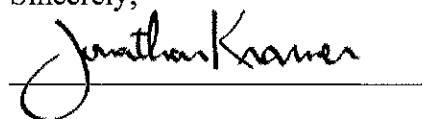
Based on the information provided by the City, Telecom Law Firm does not believe any consultants or subcontractors would be necessary to complete the services described in this proposal. Should any need arise, we do work with several experts in technical, real estate and litigation fields who could be brought on as needed or referred to the City.



## CONCLUSION

Thank you for the opportunity to submit this proposal to the City. We take great pride in our work for local public agencies and would look forward to serving the City's needs in this specialized subject matter. Please contact Lory Kendirjian or me with any questions you may have about this proposal or Telecom Law Firm.

Sincerely,



**Dr. Jonathan Kramer**  
**TELECOM LAW FIRM PC**

enc. Schedule 1 – Hourly Rates



**SCHEDULE 1**

**HOURLY RATES**

<b>Professional</b>	<b>Hourly Rate</b>
Per Partner	\$310
Per Senior Associate	\$280
Per Associate	\$260
Per Paralegal	\$175
Per Assistant	\$150





**AGREEMENT FOR PROFESSIONAL SERVICES FOR  
WIRELESS CONSULTING SERVICES BETWEEN THE CITY OF SOUTH GATE AND  
TELECOM LAW FIRM, P.C.**

This Agreement for Professional Services for legal services ("Agreement") is made and entered into on July 27, 2021, by and between the City of South Gate, a municipal corporation ("City"), and Telecom Law Firm, a professional corporation ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

**RECITALS**

**WHEREAS**, City desires to retain Consultant to provide wireless consulting services; and

**WHEREAS**, Consultant warrants to City that it has the requisite skills, knowledge, qualifications, manpower and expertise to perform properly and timely the Professional Services under this Agreement; and

**WHEREAS**, based on such representation, City desires to contract with Consultant to perform the services described in the Scope of Services attached hereto as Exhibit "A" of this Agreement.

**NOW, THEREFORE**, the Parties hereby agree as follows:

1. **SCOPE OF SERVICES.** City hereby engages Consultant, and Consultant accepts such engagement, to perform the services set forth in the Scope of Services as described in Exhibit "A" attached hereto and made part of this Agreement. The Scope of Services may be mutually amended from time to time by both Parties in writing.
2. **COMPENSATION.** The total amount of compensation for this Agreement shall not exceed the sum of Fifty Thousand Dollars (\$50,000.00) to be billed as described in Consultant's proposal attached hereto as Exhibit "A." City shall pay Consultant for its professional services rendered and reasonable costs incurred pursuant to this Agreement. No additional compensation shall be paid for any other expenses incurred unless first approved by the City Manager.
  - 2.1 Consultant shall be required to attend meetings at City Hall as necessary in the delivery of the projects. Travel time between the Consultant's office and City Hall shall not be billable. Consultant may request an exemption on a case by case basis, which shall be subject to City approval.
  - 2.2 Consultant shall be paid in accordance with the schedule included in Consultant's proposal attached hereto as Exhibit "A." City shall pay the Consultant within thirty (30) days of receipt of the invoice.
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Agreement.

3. **TERM OF AGREEMENT.** This Agreement is effective as of July 27, 2021, and will remain in effect through and including project completion, unless otherwise expressly extended and agreed to by both Parties in writing, or terminated by either Party as provided herein.
4. **CITY AGENT.** The City Manager, for the purposes of this Agreement, is the agent for the City. Whenever approval or authorization is required, Consultant understands that the City Manager has the authority to provide that approval or authorization.
5. **CONFLICT OF INTEREST.** Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located within City which may be affected by the services to be performed by Consultant under this Agreement. Consultant further represents that in performance of this Agreement, no person having such interest shall be employed by it. Within ten (10) days, Consultant agrees that it will immediately notify City of any other conflict of interest that may exist or develop during the term of this Agreement.
  - 5.1 Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage or accept any financial interest in the Consultant's business or in this Agreement by any City employee or official.
6. **GENERAL TERMS AND CONDITIONS.**
  - 6.1 **Termination for Convenience.** The City may terminate this Agreement at any time without cause by giving fifteen (15) days written notice to Consultant of such termination and specifying the effective date thereof. In that event, all finished or unfinished documents and other materials shall, at the option of City, become its property. If this Agreement is terminated by City as provided herein, Consultant will be paid the total amount of its costs as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.
  - 6.2 **Termination for Cause.**
    - 6.2.1 The City may, by written notice to Consultant, terminate the whole or any part of this Agreement in any of the following circumstances:
      - a. If Consultant fails to perform the services required by this Agreement within the time specified herein or any authorized extension thereof; or
      - b. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these

circumstances does not correct such failure within a period of ten (10) days (or such longer period as City may authorize in writing) after receipt of notice from City specifying such failure.

**6.2.2** In the event City terminates this Agreement in whole or in part as provided above in Subsection 6.2.1, City may procure, upon such terms and in such manner as it may deem appropriate, services similar to those terminated.

**6.2.3** If this Agreement is terminated as provided above in Subsection 6.2.1, City may require Consultant to provide all finished or unfinished documents, data, studies, drawings, maps, photographs, reports, films, charts, sketches, computation, surveys, models, or other similar documentation prepared by Consultant. Upon such termination, Consultant shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents whether delivered to City or in possession of Consultant, and to authorized reimbursement expenses.

**6.2.4** If, after notice of termination of the Agreement under the provisions of Subsection 6.2.1 above, it is determined, for any reason, that Consultant was not in default, or that the default was excusable, then the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Subsection 6.1 above.

**6.3 Non-Assignability.** Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of City.

**6.4 Non-Discrimination.**

**6.4.1** Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, creed, gender, gender identity (including gender expression), color, religion, ancestry, sexual orientation, national origin, disability, age, marital status, family/parental status, or veteran/military status, in the performance of its services and duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, and County and City governments. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, disabled or age. Consultant will take affirmative action to ensure that all employment practices, including those of any subcontractors retained by Consultant to perform services under this Agreement, are free from such discrimination. Such employment practices include, but are not limited to: hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**6.4.2** The provisions of Subsection 6.4.2 above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 (relating to federal restrictions against discriminatory practices) is available for review and on file with the City Clerk's Office.

**6.5 Insurance.** Consultant shall submit to City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

**6.5.1** Workers' Compensation Insurance as required by law. Consultant shall require all subcontractors similarly to provide such workers' compensation insurance for their respective employees.

**6.5.2** Comprehensive general and automotive liability insurance protecting Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000, with an aggregate of \$2,000,000. Each such policy of insurance shall:

- a. Be issued by a financially responsible insurance company or companies admitted or authorized to do business in the State of California or which is approved in writing by City.
- b. Name and list as additional insured the City, its officers and employees.
- c. Specify its acts as primary insurance.
- d. Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled except upon thirty (30) days prior written notice to City of such cancellation or material change."
- e. Cover the operations of Consultant pursuant to the terms of this Agreement.

**6.6 Indemnification.** Consultant agrees to indemnify, defend and hold harmless City and/or any other City agency, including other employees, officers and representatives, for/from any and all claims or actions of any kind asserted against City and/or any other City agency arising out of Consultant's (including Consultant's employees, representatives, products and subcontractors) negligent

performance under this Agreement, excepting only such claims or actions which may arise out of sole or active negligence of City and/or any other City agency, or any third parties not acting on behalf of, at the direction of, or under the control of Consultant.

**6.7 Compliance With Applicable Law.** Consultant and City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and city governments, without regard to conflict of law principles.

**6.8 Independent Contractor.** This Agreement is by and between City and Consultant and is not intended, nor shall it be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between City and Consultant.

**6.8.1.** Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of City. Neither City nor any of its officers or employees shall have any control over the conduct of Consultant, or any of Consultant's employees, except as herein set forth, and Consultant expressly warrants not to, at any time or in any manner represent that it, or any of its agents, servants or employees are in any manner employees of City, it being distinctly understood that Consultant is and shall at all times remain to City a wholly independent contractor and Consultant's obligations to City are solely such as are prescribed by this Agreement.

**6.8.2.** Indemnification of CalPERS Determination - 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 CalPERS to be eligible for enrollment in CalPERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS 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.

**6.8.3** Business License Required. According to Title 2.08.40 of the South Gate Municipal Code, a business license will be required prior to doing business within the City, even if the business is located outside of the City. Verification of a valid South Gate business license will be required prior to start of work and any fees associated with the acquisition or maintenance of such business license shall be the sole responsibility of the Consultant.

**6.9 Consultant's Personnel.**

**6.9.1** All services required under this Agreement will be performed by Consultant, or under Consultant's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services, including, without limitation, a City of South

Gate business license as required by the South Gate Municipal Code.

- 6.9.2** Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by City.
- 6.9.3** Consultant shall be responsible for payment of all employees' and subcontractors' wages and benefits, and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.
- 6.9.4** Consultant shall indemnify and hold harmless the City and all other related entities, officers, employees, and representatives from any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices or of any acts or omissions by Consultant in connection with the work performed arising from this Agreement.
- 6.10 Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of Consultant.
- 6.11 Legal Construction.**

  - 6.11.1** This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California without regard to conflict of law principles.
  - 6.11.2** This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of the same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
  - 6.11.3** The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
  - 6.11.4** Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.
- 6.12 Counterparts.** This Agreement may be executed in counterparts and, as so executed, shall constitute an agreement which shall be binding upon all Parties herein.
- 6.13 Final Payment Acceptance Constitutes Release.** The acceptance by Consultant

of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

- 6.14 Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably, timely manner, such correction shall be made by City, and the cost thereof shall be charged to the Consultant.
- 6.15 Files.** All files of Consultant pertaining to City shall be and remain the property of City. Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.
- 6.16 Waiver; Remedies Cumulative.** Failure by a Party to insist upon the performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand compliance by such other Party in the future. No waiver by a Party of a default or breach of the other Party shall be effective or binding upon such a Party unless made in writing by such Party, and no such waiver shall be implied from any omissions by a Party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.
- 6.17 Mitigation of Damages.** In all such situations arising out of this Agreement, the Parties shall attempt to avoid and minimize the damages resulting from the conduct of the other Party.
- 6.18 Severability.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- 6.19 Attorney's Fees.** The Parties hereto acknowledge and agree that each will bear his

or its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any Party hereto to enforce this Agreement, the prevailing Party in such action shall be entitled to reasonable attorney's fees and costs in addition to all other relief to which that Party or those Parties may be entitled.

**6.20 Entire Agreement and Amendments.** This Agreement constitutes the whole agreement between City and Consultant, and neither Party has made any representations to the other except as expressly contained herein. Neither Party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any amendments, changes or modifications to this Agreement must be made in writing and appropriately executed by both City and Consultant.

**6.21 Notices.** Any notice required to be given hereunder shall be deemed to have been given by email transmission with confirmation of delivery and depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:**

City of South Gate  
Chris Jeffers  
Interim City Manager  
8650 California Avenue  
South Gate, CA 90280  
Email: [cjeffers@sogate.org](mailto:cjeffers@sogate.org)

**WITH COURTESY COPY TO:**

City Clerk's Office  
Carmen Avalos  
City Clerk  
8650 California Avenue  
South Gate, CA 90280  
Email: [cavalos@sogate.org](mailto:cavalos@sogate.org)

**TO CONSULTANT:**

Telecom Law Firm  
Robert C. May, III  
2001 S. Barrington Avenue, Ste 306  
Los Angeles, CA. 90025  
Email:

**6.22 Warranty of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.

**6.23 Consultation with Attorney.** Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

**6.24 Interpretation Against Drafting Party.** City and Consultant agree that they have cooperated in the review and drafting of this Agreement. Accordingly, in the event of any ambiguity, neither Party may claim that the interpretation of this Agreement shall be construed against either Party solely because that Party drafted all or a portion of this Agreement, or the clause at issue.



7. **EFFECTIVE DATE.** The effective date of this Agreement is July 27, 2021, and will remain in effect through and until project completion, unless otherwise terminated in accordance with the terms of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized.

**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVE AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**TELECOM LAW FIRM:**

By: \_\_\_\_\_  
Robert C. May, III

Dated: \_\_\_\_\_

**Sent via email:**

July 1, 2021

Ms. Alma Medina  
[ammedina@sogate.org](mailto:ammedina@sogate.org)  
Management Analyst  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280

**RE:** City of South Gate SWF Telecommunications Regulations

**Subject:** Proposal to Provide Wireless Consulting Services

---

Dear Ms. Medina:

Thank you for your renewed interest in our firm's services. Telecom Law Firm would be honored to serve the City of South Gate (the "City") with its telecommunications matters. Attached to this letter, please find Exhibit 1 for the Scope of Services to Process Wireless Applications, and Exhibit 2 for the Fees Associated With Processing Wireless Applications.

## PROPOSAL

### 1. KEY PERSONNEL

Telecom Law Firm's lead attorneys assigned this project will be Dr. Jonathan L. Kramer and Mr. Robert C. May III. The lead attorneys will be primarily responsible for the services provided. Dr. Kramer and Mr. May will be assisted by associate attorneys and other professionals in our firm under their direction.

Associate attorneys will be assigned to assist the lead attorneys.

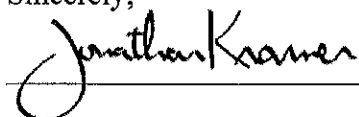
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## CONCLUSION

Thank you for the opportunity to submit this proposal to the City. We take great pride in our work for local public agencies and would look forward to serving the City's needs in this specialized subject matter. Please contact Lory Kendirjian or myself with any questions you may have about this proposal or Telecom Law Firm.

Sincerely,



**Dr. Jonathan Kramer**  
**TELECOM LAW FIRM PC**

enc. Exhibit 1- Scope of Services to Process Wireless Applications  
Exhibit 2- Fees to Process Wireless Applications



**EXHIBIT "1"**  
**SCOPE OF SERVICES**

Under the direction of the City, Consultant shall provide technical and regulatory advice to City concerning applications for telecommunications facilities as follows:

**A. Wireless Siting Application Reviews:**

1. Application Reviews: At the City's request and within Consultant's expertise as a wireless site application reviewer, Consultant will review wireless siting applications and provide the City with a written analysis as described below).

2. **Memorandum/Memoranda Content:**

a. **Incomplete Memorandum.** Upon receipt of an application by the Consultant directly from the City, Consultant will evaluate and identify whether any items that are required in the City's wireless application are not completed by the applicant. If there are incomplete items, the Consultant will send the City an "Incomplete Memorandum" by email or an attachment to an email within:

i. nine (9) calendar days for an initial review of a wireless application that is submitted by the applicant as a small wireless facility; or

ii. twenty-one (21) calendar days for an initial review of a wireless application that are submitted by the applicant in a category that is not a small wireless facilities; or

iii. nine (9) calendar days for a resubmittal review of a wireless application that was deemed incomplete.

b. **Project Memorandum:**

Once an application is determined by the City or deemed by law to be complete, Consultant will:

i. identify the regulatory classification under which the project should be processed (i.e., Section 6409(a); Small Wireless Facility; major modification; new site; etc.); and

ii. discuss design matters, if any, that may reduce the impact of the proposed site configuration;

iii. evaluate time, place, and manner considerations for wireless sites located in the Public Right of Way;

v. assess the planned compliance with federal radio frequency exposure guidelines established by the Federal Communications Commission, and;



vi. determine any other wireless site-related issues that Consultant, in its experience and opinion, believes to be relevant or helpful to the City's review of the wireless application.

3. **Memorandum Revision:** At City's option, without an additional fee, Consultant shall prepare one revision or follow-up to the Incomplete or Project Memorandum. All additional revisions or follow-ups are charged on an hourly basis.

4. **Consultation Time:**

- i. Consultant will provide consultation by telephone and/or through e-mail with the City per project at no additional cost for the flat fee portion of any project.
- ii. For any project where hourly charges apply (i.e., after the flat fee portion of a project), hourly fees for consultations via telephone and/or email will apply.

It is understood by the parties that every wireless project is unique as to location and design, and some projects may not proceed all the way to an approval or denial, or the project at a given location may be moved by an applicant to a different location necessitating an entirely new project review under a separate fee.

B. **Attendance at Meetings:** As requested by City, Consultant will attend in-person meetings subject to Consultant's availability. Meeting attendance includes travel time from Consultant's office to and from the City. Meeting attendance is billed at the hourly rates in this Agreement.

C. **General Consultation:** At the City's request, Consultant will engage with the City in regard to any non-privileged communications within the competence of Consultant as determined by Consultant in any form on a time available basis of Consultant and invoiced on an hourly basis (including travel time from Consultant's office to and from the City if necessary).

[END OF EXHIBIT 1]



**EXHIBIT "2"**

**CONSULTANT'S SCHEDULE OF FEES**

The Consultant consults with and is responsible to the City. The City is responsible payment of for Consultant invoices. Payment of Consultant's invoices is not contingent upon the City receiving any deposit or reimbursement from any party.

1. **Flat Fees:** Consultant shall perform all flat-rate services described in Exhibit A, Section A, Subsection 1 through 3 and 4(i) for a fixed fee of \$2,450.00 per project. Project hours are not reported by Consultant for flat fee portion of flat fee projects.

Due to FCC shot clock time limitations, all projects must be submitted to Consultant by the City in searchable PDF documents within one calendar day of receipt by the City from the Applicant. Accordingly, Consultant urges City to enforce a wireless application requirement that obligates the applicant to tender the entire wireless application, including all exhibits and attachments, in searchable PDF format, as well as in paper form.

Flat fee projects are billed to the City as a single unit on the first project invoice, which is issued upon submission of Consultant's first substantive project memorandum (that can include a memo regarding an incomplete application, a project review memo, or another substantive project-related memo). The Flat Fee will cover the work for the first substantive project memorandum and one follow-up memorandum.

The flat fee (and any subsequent hourly fees) are fully earned by and payable to Consultant once the Consultant has provided its first substantive memorandum to the City, even when the project is subsequently cancelled, abandoned, transferred to a different location. In the event that a project is tendered to the Consultant by the City but terminated for any reason prior to issuance of Consultant's first memorandum, City shall pay Consultant on the hourly basis set out in this Agreement for all time spent by Consultant on the project prior to Consultant's receipt of City's notice of termination.

2. **Hourly Fees:** Consultant shall perform all services described in Exhibit A, Section B and C and all other extra services not described in the Scope of Work but mutually agreed upon by City and Consultant, on an hourly fee basis as follows:

**Personnel Rates**

Per Partner	\$310
Per Senior Associate	\$280
Per Associate	\$260
Per Paralegal	\$175
Per Assistant	\$150

All time is billed in 0.1-hour (6 minute) units rounded up to the next 0.1-hour unit.



3. Annual Fee Adjustments. The Flat Rate and Hourly Fees set out in this Agreement shall automatically increase by three percent (3%) on each anniversary of this Agreement.
4. Expenses: City will reimburse the Consultant for all ordinary costs and expenses reasonably incurred by Consultant in performance of the services provided by Consultant to City pursuant to this Agreement.
5. The City's designated point of contact for billing queries is:

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Telephone Number

The Consultant's designated point of contact for billing queries is:

Val Halvorsen, Business Manager

BManager@TelecomLawFirm.com

Name and Title

Email Address

(310) 312-9900 ext. 135

Telephone Number

Either party may change its designated point of contact for billing queries at any time upon ten (10) business days' written notice to the other.

[End of Exhibit 2]



JUL 21 2021  
10:15 Am

# AGENDA BILL

For the Regular Meeting of: July 27, 2021

Originating Department: **Public Works**

Department Director: \_\_\_\_\_

  
Arturo Cervantes

Interim City Manager: \_\_\_\_\_

  
Chris Jeffers

**SUBJECT: MASTER JOINT REVOCABLE PERMIT NO. 17-07 WITH THE CITY OF LOS ANGELES AND THE CITY OF LONG BEACH GRANTING THE CITY OF SOUTH GATE, THROUGH THE BOARD OF HARBOR COMMISSIONERS, THE RIGHT TO OPERATE AND MAINTAIN IMPROVEMENTS AND STRUCTURES ON THE RAILROAD RIGHTS OF WAY**

**PURPOSE:** The City has ten active permits from the Ports of Los Angeles and Long Beach (Ports) that authorize South Gate to operate and maintain public improvements and structures installed within the Union Pacific Railroad corridor (UPRR Corridor) which they operate on right-of-way the cities of Los Angeles and Long Beach own. The City of South Gate was in need of six more permits for improvements recently constructed. The Ports have a new policy which requires that all permits be consolidated, and new permits be issued, under one master permit, known as the Master Joint Revocable Permit (MJRP). Approval of the MJRP is needed to comply with this new policy.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving Master Joint Revocable Permit No. 17-07 (MJRP) which grants the City rights to operate and maintain certain improvements and structures on the right-of-way underlying the Union Pacific Railroad, which permit is issued by the ports of Los Angeles and Long Beach, through the Boards of Harbor Commissioners;
- b. Appropriating \$14,420 in Water Funds and \$7,680 Gas Tax Funds to Account No. 411-731-71-6801 to fund the MJRP permit fees; and
- c. Authorizing the Mayor to execute Master Joint Revocable Permit No. 17-07 in a form acceptable to the City Attorney.

**FISCAL IMPACT:** Under the MJRP, the City is required to pay annual permit fees, a one-time processing fee and a security deposit as listed on the table below. The permit fees increase annually according to the Consumer Price Index.

	Fee	Funds	Account No.
Roadway Improvements Permit Fee	\$7,680 Annually	Gas Tax Funds	212-713-31-6801
Water Improvements Permit Fee	\$8,000 Annually	Water Funds	411-731-71-6801
Processing Fee	\$2,500 One-time		
Refundable Security Deposit	\$3,920 One-time		
<b>Total</b>	<b>\$22,100</b>		

**ANALYSIS:** The City currently has ten active permits from the cities of Los Angeles and Long Beach (Ports) that cover public improvements that the City has installed within the UPRR Corridor. The permits were issued by the Cities because they are the owners of the property underlying the



UPRR Corridor. The Ports manage the corridor through the Boards of Harbor Commissioners (Boards), thus the Boards approves new permits. The City of South Gate is in need of six more permits for improvements recently constructed within the UPRR Corridor. A new policy of the Boards required that the City's permits be consolidated under one MJRP, and that the new permits be issued through the MJRP. The new policy requires annual payment of permit fees for any public improvements that generate revenue, such as a water systems. This new requirement was triggered after the City applied for a new permit (General Order 88-B (GO-88B) Permit) for a traffic signal system that the City installed at the intersection of Firestone Boulevard and Atlantic Avenue. Approval of the MJRP is required to meet this requirement.

The MJRP has been reviewed by outside legal counsel, Olivarez Madruga Lemieux O'Neill, LLP as to form. Outside legal counsel was retained as the City Attorney's Office has recused themselves from the matter due to work they do or have done with one of the Ports.

**BACKGROUND:** On December 21, 2015, South Gate completed the construction of two major roadway projects (Firestone Boulevard/Firestone Place UPRR and Atlantic Avenue/Patata Street Crossings) that resulted in installing public improvements on the UPRR ROW. As a condition of their permit for the projects, the Boards required the City to consolidate its existing permits under the MJRP, as well as to incorporate the six proposals for new permits in the MJRP.

To date, South Gate has been issued ten permits, some of which are more than 50 years old. Each permit authorized the City to construct, operate and maintain public improvements on the UPRR ROW, such as, water mains, sidewalks, storm drains, power lines, sewer, traffic signal equipment, and an access road. The permit summary is tabulated below. It is noted that under the MJRP the City must only pay a fee for permits that involve public improvements that generate revenue, such as the water mains and the private road.

Index No.	Permit No.	Improvements	Constructed Year	Funding Source for Permit Fee
1	New	20" Casing with traffic control wiring at Atlantic Ave. and Wright Pl.	2016	No Fee
2	New	Electrical Service Cabinet for Traffic Control at Firestone Blvd. and Mason St.	2016	No Fee
3	New	20" Casing with traffic control wiring at Firestone Blvd. and Firestone Pl.	2016	No Fee
4	New	Sidewalk on south side at Firestone Blvd. and Firestone Pl.	2016	No Fee
5	New	Temporary Construction Easement at Firestone Blvd./Rayo Ave.	1950s	No Fee
6	P-00635	10" cast iron water pipeline at Atlantic Ave. and Wright Pl.	1953	Water Funds (\$2,000)
7	P-00636	30" storm drain pipe at Firestone Pl. and Mason St.	1954	No Fee
8	P-00629	30" storm drain pipe at Branyon Ave.	1952	No Fee
9	P-00631	2" Water Pipeline at South of Branyon Ave.	1949	Water Funds (\$2,000)
10	N/A	Sidewalk at Firestone Blvd. and Rayo Ave.	1950s	No Fee
11	P-00633	30" storm drain pipe at Salt Lake Ave. and Wood Ave.	1952	No Fee
12	P-00674	Private Road Crossing at SE I-710 and NW Rio Hondo.	1954	Gas Tax (\$7,680)
13	P-00628	2" Water Pipeline in 4" Steel Casing at SE I-710 and NW Rio Hondo.	1960	Water Funds (\$2,000)

14	P-00627	6" steel casing power line at SE I-710 and NW Rio Hondo.	1992	Water Funds (\$2,000)
15	N/A	Sidewalk at Imperial Highway and Garfield Pl.	1990s	No Fee
16	New	12" Sanitary Sewer pipe with 30" Steel Casing at Imperial Hwy and Garfield Pl	2021	No Fee

**ATTACHMENTS:** A. Proposed Master Joint Revocable Permit  
 B. Location Map

KT:lc

**CAL PACIFIC LAND SERVICES, INC.**

---

**RECEIVED**

JUN 09 2021

June 7, 2021

**ENGINEERING DEPT.**

City of South Gate  
Public Works Department  
8650 California Avenue  
South Gate, CA 90280

Attn: Arturo Cervantes, P.E.  
Assistant City Manager/Director of Public Works

Dear Mr. Cervantes:

The Ports have revised the form of Master Joint Revocable Permit for the City of South Gate facilities in their railroad right of way within your City and have included the new sewer line which has been installed in Imperial Highway. There is no additional charge for this facility. The revised form is enclosed.

The permit form has been approved by the Ports' staffs only and has not yet been placed on the agendas of the Ports' Boards of Harbor Commissioners. Harbor Commission approval from each Port will be required before the MJRP goes into effect.

Prior to the Ports' staff putting the MJRP on their respective agendas, the following must be received by us and forwarded to them.

1. MJRP                      Seven (7) original MJRP documents with Exhibits are enclosed. Please have the appropriate representative(s) authorized to sign such documents sign six (6) copies, have the signatures on all copies notarized, and return the six original copies to me at the address below. The seventh copy is for your records.
  
2. Fees & Deposit        The first year's Permit Fee is \$15,680 (MJRP Paragraph 3.1), the Ports' Processing Fee is \$2,500.00 (MJRP Section 3.1), and the Security Deposit is \$3,920 (MJRP Section 3.6). Unless the City wants to use a non-cash form of Security Deposit as outlined in MJRP Paragraph 3.6, submit a check for \$22,100 made payable to **Cal Pacific Land Services, Inc. – Trust Account** and delivered to my attention with the executed copies of the MJRP. If the City wants to use a non-cash form of Security Deposit, please forward information about the alternative method immediately and we will discuss it with Ports' staff.
  
3. Insurance                Evidence of Insurance coverage for both Ports (see MJRP Section 15) will need to be submitted to the Ports following the procedures set out in MJRP Section 15.2 prior to the MJRP going into effect.

7245 Garden Grove Boulevard, Suite M Garden Grove, CA 92841  
Telephone 714-799-0900

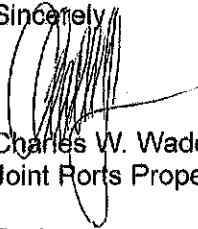
**CAL PACIFIC LAND SERVICES, INC.**

June 7, 2021  
Mr. Cervantes  
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Please call me at 714/799-0900 or email me at [cwadell@calpacland.com](mailto:cwadell@calpacland.com) if you have any questions about the processing of these forms.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to be "Charles W. Wadell, Jr.", written over the word "Sincerely,".

Charles W. Wadell, Jr.  
Joint Ports Property Management

Encl.

cc: Kenneth Tang, P.E., via email

**MASTER JOINT REVOCABLE PERMIT  
CITY OF SOUTH GATE**

The City of Los Angeles, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California, and the City of Long Beach, a municipal corporation duly organized and existing under its charter and the constitution and laws of the State of California (individually, a "City" and together, the "Cities"), by and through their respective Boards of Harbor Commissioners, jointly own certain real property located in the County of Los Angeles. Pursuant to a recommendation adopted by the Board of Harbor Commissioners of the City of Los Angeles under Resolution No. \_\_\_\_\_ at its \_\_\_\_\_, 20\_\_ meeting, and Resolution No. HD-\_\_\_\_\_ adopted by the Board of Harbor Commissioners of the City of Long Beach at its \_\_\_\_\_, 20\_\_ meeting, the Cities hereby issue this Master Joint Revocable Permit (the "Permit") and grant permission to the City of South Gate, a California Municipal Corporation ("Permittee"), to operate and maintain multiple improvements and structures ("Facilities"), more particularly described on the Schedule of Permit Areas attached hereto and made a part hereof as Exhibit A, and as may be subsequently revised by Permit Supplements after the effective date as Exhibit A(x), within the various permitted areas as defined under Paragraph 1 below (collectively, the "Permit Areas"). This Permit shall be effective upon last execution by the Executive Directors of the respective Harbor Departments of the Cities (referred to hereinafter as "Executive Director" singular or the "Executive Directors" plural). Such date shall be known as the "Effective Date" for purposes of this Permit.

This Permit shall be subject to the following terms, conditions, and limitations:

1. PERMIT AREAS. The Cities hereby grant Permittee the right to use various properties listed in Exhibit A or subsequent Exhibit A(x) and more particularly shown in Exhibit B attached hereto and made a part hereof, and as may be subsequently revised by Permit Supplements after the effective date as B(x).

1.1 Permit Supplements. Permittee shall have the right to add and delete certain Permit Areas to this Permit by requesting and acquiring approvals of such addition or deletion from both Executive Directors. The Executive Directors shall have the right to execute Permit Supplements to this Permit for additions and deletions of Permit Areas using rents based on rental rates described in Exhibit C, or as Exhibit C may be revised from time to time in accordance with Paragraph 3.2. Permit Supplements shall be effective upon last execution by the Executive Directors. Upon execution of any future Permit Supplement in substantially the form as shown in Exhibit F, attached hereto and incorporated herein ("Permit Supplement Template"), an Exhibit A(x) and Exhibit B(x) and where applicable Exhibit C(x) shall also be prepared and attached to the Permit. At the time of their preparation, such Exhibits A(x) and B(x) shall reflect the current facilities subject to this Permit.

2. PERMITTED USE. The Permit Areas shall be used to operate and maintain, on a non-exclusive basis, the Facilities as specifically described in Exhibit A or subsequent Exhibit A(x), over, under and/or across the Permit Areas and for no other purpose without the prior written consent

POLA NO. 17-07  
POLB NO.

of the Executive Directors, which may be withheld in their sole and absolute discretion. Permittee has inspected the Permit Areas and agrees that it is suitable for the uses permitted herein. No officer, employee, agent, or property manager of either City has made any representation or warranty with respect to the Permit Areas, except as described in writing and attached hereto as an addendum, and in entering into this Permit, Permittee agrees it relies only on the provisions of this Permit.

### 3. PERMIT FEE.

3.1 Amount and Time of Payment. Permittee shall pay to the Cities, as a permit fee, for the use of the Permit Areas, without deduction, set off, demand or prior notice, the annual sum of Fifteen Thousand Six Hundred Eighty Dollars (\$15,680) (the total of each and all rents for the Permit Areas as indicated in Exhibit A or subsequent Exhibit A(x)) or as subsequently adjusted pursuant to this Paragraph and Paragraph 3.2 (the "Permit Fee"). The Permit Fee shall be increased or decreased according to modifications caused by additions or deletions of the Permit Areas for this Permit as permitted pursuant to Paragraph 1.1, and as shown in any subsequent Permit Supplement updates. Such increase or decrease in the Permit Fee shall be effective upon the final execution date of any Permit Supplement by both Executive Directors. In addition, a one-time Permit Processing Fee of Two Thousand Five Hundred Dollars (\$2,500) shall be paid to the Cities to cover costs associated with the administration of this Permit. The Permit Processing Fee shall be paid in advance on or before the Effective Date. The Permit Fee shall be paid in advance on or before the Effective Date and thereafter on each anniversary of that date. The Permit Fee and the Permit Processing Fee shall be made payable to Cal Pacific Land Services, Inc. Trust Account and delivered to the Cities' designated property manager, which shall be Cal Pacific Land Services, Inc., 7245 Garden Grove Blvd., Ste. M, Garden Grove, CA 92841, or as otherwise instructed by written notice of the Executive Directors.

3.2 Adjustment. The Cities may, in their sole and absolute discretion, increase the Permit Fee upon sixty (60) days' written notice to Permittee. The Executive Directors are hereby delegated authority to increase, but not decrease, the rental rates, minimum rates and percentage of surface rate shown in Exhibit C as those items may apply to Permit Supplements authorized pursuant to Paragraph 1.1. Concurrent with any Permit Supplement which includes an increase in rates shown in Exhibit C, a new Exhibit C(x) shall also be prepared and attached to the Permit. Each revised Exhibit C(x) shall be effective upon the final execution date of any Permit Supplement by both Executive Directors. At the time of its preparation, each revised Exhibit C(x) shall reflect the rates applicable to the corresponding Permit Areas subject to this Permit and each corresponding Permit Supplement shall set forth the adjusted Permit Fee.

3.3 Annual Adjustment. The Permit Fee shall be adjusted by comparing the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for Los Angeles-Riverside-Orange County, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), for the month of the Adjustment Date (the "Current Index"), with the Index published 12 months before the Adjustment Date (the "Beginning Index"). If the Current Index has increased over the Beginning Index, the Permit Fee for the then-current Permit Year shall be set by multiplying the current Permit Fee by a fraction, the numerator of which is the Current Index and the denominator of which is the Beginning Index. In no event shall the Permit Fee be less than the

Permit Fee applicable during the immediately preceding Permit Year. If the Index is discontinued or revised during the period in which this Permit is in effect, another government index or computation shall be selected by the Cities and used in order to obtain substantially the same result as if the Index had not been discontinued. On adjustment of the Permit Fee as provided herein, the Cities shall provide notice in writing to the Permittee of the adjusted Permit Fee. When such notice is provided to Permittee, the Permit Fee amount shown in said notice shall constitute a legally binding agreement of the parties without further municipal, corporate or other action.

3.4 Late Charge; Default Interest. Permittee acknowledges that if any payment required under this Permit is not paid within ten (10) days after the same becomes due and payable, the Cities will incur extra administrative expenses, in addition to expenses incident to receipt of timely payment, and the loss of the use of funds in connection with the delinquency in payment. Because the actual damages suffered by the Cities by reason of such extra administrative expenses and loss of use of funds would be impracticable or extremely difficult to ascertain from the nature of the circumstances, Permittee agrees that five percent (5%) of the amount of the delinquent payment or \$100.00 (whichever is greater), and the imposition of the default interest rate provided for below, shall be the amount of damages to which the Cities are entitled, upon such breach, in compensation therefor. Permittee shall, therefore, in such event, without further notice, pay to the Cities liquidated damages in the amount of five percent (5%) of the amount of such delinquent payment or \$100.00 (whichever is greater) and interest as provided below. The provisions of this Paragraph are intended to govern only the determination of damages in the event of a breach in the performance of the obligation of Permittee to make timely payments hereunder. Nothing in this Permit shall be construed as an express or implied agreement by the Cities to forbear in the collection of any delinquent payment, or be construed as in any way giving Permittee the right, express or implied, to fail to make timely payments hereunder, whether upon payment of such damages or otherwise. The right of the Cities to receive payment of such liquidated and actual damages, and receipt thereof, are without prejudice to the right of the Cities to collect such delinquent payments and any other amounts provided to be paid hereunder or to declare a default hereunder. Further, any amounts owing under this Permit and not paid when due shall bear interest at a rate equal to ten percent (10%) per annum, payable monthly on the first day of each and every month.

3.5 Books and Records. All books, accounts and other records showing the affairs of Permittee with respect to its business transacted at, upon or over the Permit Areas (collectively, "Permit Records") shall be maintained in Los Angeles County, and shall be subject to copying, examination, audit and transcription by either City, from time to time. In the event it becomes necessary to make such copying, examination, audit or transcription at any place other than within fifty (50) miles of the Permit Areas, then all costs and expenses necessary or incident to such copying, examination, audit or transcription, shall be paid by Permittee. The Permit Records shall be retained during the term of this Permit so that the Permit Records for the four (4) most recent years are available. After this Permit terminates, Permittee shall maintain the Permit Records for the four (4) most recent years for at least two (2) years. Upon request in writing by either City, Permittee shall, within fifteen (15) days of the request, furnish a statement of the exact location of all Permit Records and the name and telephone number of the custodian of the Permit Records. Permit Records will include, but not be limited to, general ledgers, charts of accounts, subledgers including

cash receipts journals, cash disbursement journals and all original receipts and documents which support the information provided to the Cities.

3.6 Security Deposit. Permittee shall provide a cash deposit, certificate of deposit, surety bond, irrevocable letter of credit or other form of security (the "Security Deposit") in the name of the Cities and acceptable to the Executive Directors and City Attorneys of the Cities in an amount equal to three months rent or One Thousand Dollars (\$1,000.00), whichever is higher, as security for Permittee's faithful performance of its obligations under this Permit, including but not limited to the restoration of the Permit Areas and the removal of the Facilities (as defined in Paragraph 5.1) by Permittee as required by this Permit upon any termination, revocation or forfeiture of this Permit. The Cities shall pay no interest on the Security Deposit. If the financial condition of Permittee substantially changes such that Permittee may not be able to meet its restoration obligations, either Executive Director may require an increase of the Security Deposit.

#### 4. REVOCABILITY; TERMINATION.

4.1 Revocability without Cause. This Permit is revocable by any party upon sixty (60) days' written notice to the other parties without cause. Upon termination of this Permit, Permittee shall vacate, and surrender possession of, the Permit Areas (subject to Permittee's obligations under Paragraphs 5 and 7 below). If this Permit is revoked by either City pursuant to this Paragraph 4.1, Permittee shall be entitled to a prorated refund of the Permit Fee for the year in which such revocation occurs. If this Permit is revoked by Permittee pursuant to this Paragraph 4.1, Permittee shall not be entitled to receive back any portion of the Permit Fee already paid by it.

4.2 Termination. The Executive Director of either City may terminate this Permit in the event: (i) Permittee fails to initiate to perform any term or condition of this Permit within ten (10) days after written notice from the Cities or either of them, or fails to complete such performance within thirty (30) days of said notice; (ii) Permittee makes a general assignment or general arrangement for the benefit of creditors; (iii) a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Permittee and is not dismissed within thirty (30) days; (iv) a trustee or receiver is appointed to take possession of substantially all of Permittee's assets located at the Permit Areas or of Permittee's interest in this Permit and possession is not restored to Permittee within thirty (30) days; or (v) substantially all of Permittee's assets, or Permittee's interest in the Permit Areas are subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If any court having jurisdiction in the matter renders a final decision which prevents the performance by the Cities of any of their obligations under this Permit, then any party hereto may terminate this Permit by notice to the other parties. Additionally, a seizure of the Permit Areas by the Internal Revenue Service shall automatically terminate this Permit. Upon termination of this Permit: (i) Permittee shall immediately vacate, and surrender possession of, the Permit Areas and (ii) all rights and obligations hereunder (with the exception of Permittee's obligations under Paragraphs 5, 7 and 14) shall thereupon terminate.

4.3 Application. This Permit is granted pursuant to an application or applications filed by Permittee with the Cities. If any application or any of the attachments thereto contain any misstatement of fact, which in the judgment of either Executive Director affected the decision to



grant this Permit, that Executive Director may terminate this Permit. Termination pursuant to this Paragraph shall not be termination by forfeiture.

4.4 No Relocation Assistance. Permittee understands and agrees that nothing contained in this Permit shall create any right in Permittee for relocation assistance or payment from the Cities upon the termination or revocation of this Permit. Permittee acknowledges and agrees that it shall not be entitled to, and waives any right to, any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government Code of the State of California (Sections 7260 *et seq.*) or any other applicable law with respect to any relocation of its business or activities upon the termination or revocation of this Permit for no reason or any reason whatsoever.

## 5. FACILITIES; ALTERATIONS.

5.1 General. Permittee, at its cost, may install or construct Facilities on the Permit Areas, and alter, repair, relocate, reconstruct or remove Facilities; provided, however, Permittee shall first obtain the written consent of both Executive Directors, which shall not be unreasonably withheld, and any necessary permits prior to the commencement of any work of improvement, relocation, alteration, removal or repair. Permittee shall retain title to all such Facilities.

5.2 Port of Los Angeles Harbor Engineer Permit. All excavation and/or construction work undertaken on property owned by the City of Los Angeles Harbor Department requires the Permittee obtain, pay for, and abide by the terms and conditions of the Harbor Engineer Permit. Notwithstanding any other provision of this Permit, no such work is authorized on property owned by City of Los Angeles Harbor Department without Permittee obtaining said Harbor Engineer Permit.

5.3 Port of Long Beach Harbor Development Permit. Notwithstanding any other provision of this Permit, if the Permit Area, or any portion thereof, is within the Port of Long Beach Harbor District, all excavation and/or construction work related to the Permitted Use within such Permit Area requires the Permittee obtain, pay for, and abide by the terms and conditions of a Port of Long Beach Harbor Development Permit. No work is authorized on property within the Port of Long Beach Harbor District without Permittee obtaining said Port of Long Beach Harbor Development Permit.

5.4 Plans. The Facilities shall be installed only in accordance with approved plans and specifications previously submitted to the Cities with the application for this Permit. Permittee shall proceed diligently and in a workmanlike manner in the installation, repair, relocation, reconstruction or removal of the Facilities. Any and all work shall be done by Permittee in accordance with all applicable Laws (as defined in Paragraph 9 below).

5.5 Damage; Repair. If the Facilities become damaged or malfunction, Permittee, at its cost, shall immediately make such repairs as will insure the future safe and proper operation of the Facilities. Permittee shall perform such cleanup and repairs as shall be required by the Cities.

5.6 As-Built Drawings.

5.6.1 Within thirty (30) days after the completion of the installation of the Facilities, Permittee shall furnish to Cities four (4) sets of survey notes and "as-built" drawings, signed by a California licensed land surveyor, who shall certify to the correctness of the horizontal and vertical alignment of the Facilities.

5.6.2 All of the "as-built" drawings furnished pursuant to Paragraph 5.6.1 shall be drawn to a scale in which the number of feet per inch shall not exceed two hundred (200). The drawings shall show the accurate alignment of the Facilities by centerline traverses. The elevations of the tops of the Facilities shall be shown on the drawings. All survey work, both horizontal and vertical, shall be to the latest third order of accuracy as established by the National Geodetic Survey.

5.6.3 In the event Permittee is granted permission to install, relocate or remove pipelines, tanks or pressure vessels, Permittee shall furnish to the Cities, in addition to the "as-built" drawings thereof required by this Paragraph, four (4) sets of revised composite drawings drawn to a scale in which the number of feet per inch does not exceed two hundred (200). The revised composite drawings shall be submitted on or before March 1 of each calendar year this Permit remains in force and effect and shall show all pipelines owned or operated by Permittee and the total lineal footage thereof in existence as of December 31 of the calendar year just ended.

5.6.4 Where applicable, "as-built" drawings shall be available at the Permit Areas at all times and copies thereof shall be provided to the Cities upon thirty (30) days' written notice.

5.7 Removal Upon Termination; Restoration. No later than the date upon which this Permit terminates (the "Termination Date"), Permittee, at its cost, shall remove the Facilities and any personal property placed by it on the Permit Areas and restore the Permit Areas to a condition acceptable to both Cities. Permittee shall repair, at Permittee's expense, any damage to the Permit Areas caused by the removal of any Facilities or personal property. Permittee understands and agrees it is responsible for complete restoration of the Permit Areas, including the clean-up of any Hazardous Substances (as defined in Paragraph 7.1 below) required pursuant to Paragraph 7 on or before the Termination Date. If, for any reason, removal of Facilities and personal property from the Permit Areas or restoration of the Permit Areas is not completed by the Termination Date, then Permittee is obligated to pay the Cities, as compensation during such restoration, a permit fee in an amount equal to the then fair market rental value of the Permit Areas as reasonably determined by the Cities; however, the new permit fee shall not be less than provided in Paragraph 3. Additionally, if the Facilities and any personal property of Permittee have not been removed and the Permit Areas not restored to an acceptable condition by the Termination Date, the Cities shall have the right, but not the obligation, to remove any such property and to restore the Permit Areas at Permittee's expense. Permittee shall pay to the Cities, upon demand, all costs incurred by the Cities in removing

such property and restoring the Permit Areas, together with interest from the date the Cities incur any cost or expense, at the maximum rate allowed by law on any such sum. The restoration requirements of Paragraph 5.7 shall apply to Permittee whether improvements were installed by Permittee or any prior users of the premises.

5.8 Restoration Plan. Upon request of either Executive Director, Permittee shall, at its expense, provide to the Cities a site characterization study and site restoration plan in a form acceptable to the Cities. The study and plan shall be used in part by the Cities to determine if Permittee has breached its obligations pursuant to Paragraph 7 below.

5.9 Waiver. The Cities, at their election, may waive the requirement that Permittee remove all or a portion of the Facilities or personal property from the Permit Areas and that Permittee restore the Permit Areas. However, unless such waiver is in writing executed by both Cities stating such waiver is "permanent and final," Cities reserve the right to require Permittee at any time in the future to remove all or a portion of the Facilities or personal property from the Permit Areas or to restore the Permit Areas despite such waiver.

5.10 Removal; Relocation. Whenever and as often as the Executive Directors deem convenient or necessary, Permittee, at its cost, shall remove, relocate or alter the Facilities constructed on the Permit Areas and restore the Permit Areas. Permittee shall commence such removal, alteration or change of location within sixty (60) days after notice from the Executive Directors, and shall proceed to complete such work with due diligence.

5.11 Failure to Commence Work. In case Permittee fails to commence work in compliance with the notice given pursuant to Paragraph 5.10 within sixty (60) days after such notice (unless Permittee is unable to comply with such instructions due to strikes, riots, acts of God or acts of public enemies), the Executive Directors may, but shall not be required to, cause the work required in such notice to be done; and Permittee agrees to pay the Cities' cost thereof within thirty (30) days after delivery of an itemized bill.

5.12 Rules Governing Pipelines. After installation, and in any event for the duration of this agreement, Permittee shall comply with pipeline testing and inspection requirements of the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, California Public Utilities Commission regulations for pipelines, any other state and/or federal agency not mentioned above, and as required by the California State Fire Marshal (CSFM) under the Pipeline Safety Act. The Cities reserve the right to request tests for facilities not under the direct authority of the CSFM, the California Public Utilities Commission, the Federal Office of Pipeline Safety (FOPS), and the State of California Bureau of Conservation/Division of Oil, Gas, and Geothermal Resources (DOGGR).

5.13 Location of Subsurface Pipelines and Structures. Upon at least two (2) days' notice from the Cities, Permittee shall commence exploration for any subsurface structures under Permittee's control or servicing Permittee's operation within the Permit Areas. Exploration and preparation of all documentation recording the location of substructures shall be completed within the time specified in the notice. The subsurface exploration shall verify the vertical and horizontal location of all substructures. Documentation reflecting the results of the exploration shall be provided to the Executive Directors. If Permittee fails or refuses within the time specified in the

notice to begin or fails to prosecute diligently to complete the work of locating any substructure under Permittee's control or servicing Permittee's operation within the Permit Areas, the Cities shall have the right to enter onto the Permit Areas and perform the work designated in the notice. All subsurface exploration required by the provisions contained herein, whether performed by Permittee or the Cities, shall be performed at Permittee's expense. In addition, Permittee agrees to bear the cost of any and all damage of whatever nature caused by any act, omission or negligence of the Cities and any and all of their boards, officers, agents, consultants, and employees in the performance of the subsurface exploration as required by this provision. Notwithstanding any work performed by the Cities or the Cities' contractors under this provision, Permittee shall remain obligated to maintain the Permit Areas in a safe condition, both during and after completion of the work.

5.14 Pipeline Tests or Inspections. Within thirty (30) days from the commencement date of the permit, Permittee shall provide the Executive Directors with a master schedule showing dates for pipeline testing and inspection(s) in accordance with the requirements referenced in Paragraph 5.12 above. The master schedule shall include an itemized list with corresponding line item reference numbers for each pipeline covered under the subject permit, corresponding required test(s) or inspection(s), date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s), applicable agency, the frequency of required test(s) or inspection(s), and the California State Fire Marshal Line No. and the California State Fire Marshal Test ID No., if applicable. If Permittee's existing pipelines are modified, or new pipelines are added to Permittee's premises, Permittee shall provide Cities with written notice, including an updated master schedule with any addition or subtraction of pipelines. This notice should cover testing or inspection requirements of all agencies mentioned in Paragraph 5.12, as well as any other additional required test(s) or inspection(s).

If Permittee's pipeline test(s) or inspection(s) are approved by the applicable agency requiring or overseeing the test(s) or inspections(s), Permittee shall confirm in writing approval of the test(s) or inspections(s) and/or submit documentation including master schedule reference number for pipeline(s) being reported on, date(s) of test(s) or inspection(s), method(s) of test(s) or inspection(s) and general non-technical summary of results.

Permittee shall submit a summary of its certified test or inspection approval results to the Executive Directors within thirty (30) days after they have been approved by the agencies which required the pipeline testing or inspection(s), and the records of such test(s) shall be retained by Permittee for as long as is required by applicable law, but in any event not less than three (3) years. Records of all tests will be made available for inspection by the Executive Directors or their designees at their request.

If Permittee's pipeline test(s) or inspection(s) are disapproved, and/or there are irregularities with Permittee's pipeline test(s) or inspection(s), indicating a leak or other operational deficiency, Permittee shall notify the Executive Directors within three (3) days of disapproval and/or receipt of test(s) or inspection(s) results with a non-technical summary of the results including the circumstances that resulted in the disapproval or test(s)/inspection(s) irregularities as well as all test documentation produced and a description and schedule for implementation of corrective action as directed by the applicable agency requiring or overseeing the test(s) or inspection(s).

6. MAINTENANCE. The Cities have no duty to make any improvement or repair to the Permit Areas or any improvements thereon. Permittee's sole and exclusive remedy by reason of any condition of the Permit Areas (whether such condition now or hereafter exists) shall be to terminate this Permit and vacate the Permit Areas. Any and all uses of the Permit Areas by Permittee, its agents, contractors and their employees shall be at their sole risk, cost and expense. Permittee, at its cost, shall keep and maintain the Permit Areas and all Facilities thereon during its use and occupancy thereof, in good order, condition and repair, free and clear of all rubbish, debris and litter.

7. HAZARDOUS SUBSTANCES.

7.1 Hazardous Substances. As used in this Permit, the term "Hazardous Substance" means any product, substance, chemical, material or waste, the presence, nature, quantity and/or intensity of which, either by itself or in combination with other materials on the Permit Areas, is either: (i) injurious to the public health, safety or welfare, the environment or the Permit Areas; (ii) regulated or monitored by any governmental authority; or (iii) a basis for liability of the Cities to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, any substance or material deemed hazardous or toxic pursuant to any federal or state statute or regulation, including but not limited to hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Permittee shall not direct, suffer or permit any of its agents, contractors, employees, licensees or invitees at any time to handle, use, manufacture, store, release or dispose of any Hazardous Substances in or about the Permit Areas.

7.2 Notification; Removal. During its use and occupancy of the Permit Areas, Permittee shall notify the Executive Directors within two (2) days following the release of any Hazardous Substances onto or from the Permit Areas. Upon the release, discharge or spill of any Hazardous Substances arising from or caused by Permittee, its employees, agents, invitees or affiliated predecessors in interest, Permittee, at its cost, shall promptly remove and/or remediate and dispose of all such Hazardous Substances in accordance with the provisions of Paragraph 7.3 below, and restore the Permit Areas to the condition they were in prior to the release of the Hazardous Substances. Permittee also agrees to provide to the Cities a surety bond to assure removal of such Hazardous Substances from the Permit Areas if at any time the Cities demand such bond.

7.3 Excavation. If Permittee discovers or believes that any material being excavated from the Permit Areas contains any Hazardous Substances, Permittee, at its cost, shall: (i) promptly notify both Executive Directors of Permittee's discovery or belief; (ii) at the request of either Executive Director, initiate chemical and/or physical analyses of the suspected Hazardous Substances; (iii) promptly submit all laboratory or other test results upon receipt thereof to both Executive Directors; (iv) develop and submit, for approval by both Executive Directors, a remediation plan providing for the disposal and/or treatment of the hazardous materials; (v) treat and dispose of or remove the Hazardous Substances in accordance with all applicable Laws; (vi) if Hazardous Substances are removed, replace the same with clean, structurally suitable fill material and cause the excavation to be backfilled and compacted; and (vii) promptly submit copies of all waste manifests to both Executive Directors. Waste manifests shall identify Permittee and its

contractors, not the Cities, as the generator of any Hazardous Substances removed pursuant to this provision.

8. UTILITIES. Permittee shall pay all charges for services or utilities furnished to the Permit Areas or used in connection with its occupancy, and shall pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including the Cities.

9. LEGAL COMPLIANCE. Permittee shall comply with all applicable laws, regulations, ordinances, rules, policies, guidelines, specifications, procedures and orders of any government entities ("Laws") in connection with its use and occupancy of the Permit Areas and obtain all necessary licenses, consents and permits from all federal, state and local governmental authorities having jurisdiction over the Permit Areas and Permittee's activities thereon.

10. NO ASSIGNMENT. Permittee shall not assign, sublet or transfer this Permit or any interest herein (whether by operation of law or otherwise) without the prior written consent of the Cities. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Permittee shall constitute an assignment for this purpose. Any attempted transfer or assignment without the prior written consent of the Cities shall be void and confer no rights whatsoever upon a transferee or assignee. In addition, Cities shall have the right to terminate this Permit if any assignment or transfer, whether voluntary, by operation of law, or otherwise is made or attempted without the prior written consent of the Cities. Each request for consent to an assignment shall be in writing, accompanied by information relevant to the Cities' determination as to the financial and operational responsibility and appropriateness of the proposed assignee, including but not limited to the intended use and/or required modification of the Permit Areas, if any, together with a nonrefundable processing fee of Three Thousand Dollars (\$3,000) or ten percent (10%) of the current annual Permit Fee applicable to the Permit Areas which are the subject of the proposed assignment, whichever is greater, as consideration for the Cities considering and processing the request. Permittee agrees to provide to the Cities such other or additional information and/or documentation pertaining to the requested consent as may be reasonably requested by the Cities.

11. ACCESS. The Cities' representatives shall have access to and across the Permit Areas during normal business hours and, in the event of an emergency, at any other time for inspection, repair of publicly owned utilities and structures and for fire and police department purposes.

12. RIGHTS-OF-WAY. The Permit Areas are subject to all existing and future rights of way and entry thereon for the installation, relocation, removal, operation and maintenance of rail lines, sewers, pipelines, conduits, and telephone, telegraph, light, heat and power lines (whether underground or overhead).

13. RAILROAD APPROVAL AND NOTICE, EMERGENCY NOTIFICATION.

13.1 Rail Carrier Approval. In non-emergency situations, Permittee shall obtain the written approval from the rail carriers that operate on the rail line traversing the Permit Areas ("Railroads") prior to the commencement of any work within the Permit Areas in connection with the construction, repair, renewal, modification, reconstruction, relocation or removal of the

Facilities, excepting only periodic inspection of the Facilities. Permittee shall comply with all permits, notifications, protective and safety requirements imposed by the Railroads, and Permittee shall pay all associated costs. In addition, the Cities have included in this Permit, certain Safety Protocols, hereto attached as Exhibits D-1, D-2, and D-3. Permittee agrees to perform all safety precautions, approvals and notices associated with activities in the vicinity of the rail lines as set forth in Exhibits D-1, D-2 and D-3. Exhibits D-1, D-2, and D-3 may be updated from time to time by the Executive Directors or their designees upon fourteen (14) days written notice to Permittee.

13.2 Alameda Corridor. If an emergency should arise requiring immediate attention for Permit Areas in the Alameda Corridor, Permittee shall call the maintenance contractor for the Alameda Corridor Transportation Authority ("ACTA"), presently Railworks at (323) 490-0671 (after hours, (646) 584-2619); the ACTA Construction and Maintenance Manager at (323) 855-8068; ACTA at (562) 247-7777; and Pacific Harbor Line's ("PHL") Badger Bridge at (310) 830-0660.

13.3 Pacific Harbor Line. If an emergency should arise requiring immediate attention for Permit Areas in the Pacific Harbor Line, Inc. right-of-way, Permittee shall call PHL's Badger Bridge at (310) 830-0660, the ACTA Construction and Maintenance Manager at (323) 855-8068, ACTA at (562) 247-7777 and Highball Signal at (310) 961-1122.

13.4 Union Pacific Railroad Company. If an emergency should arise requiring immediate attention for Permit Areas in the Union Pacific Railroad Company right-of-way (Former San Pedro Branch), Permittee shall call the Union Pacific Police at (888) 877-7267.

14. INDEMNIFICATION. Permittee shall indemnify, defend (using counsel selected by the Cities) and hold harmless: (a) the Cities; (b) ACTA; (c) the Railroads; and (d) each of their respective council members, mayors, trustees, boards, officers, employees, agents, contractors, property managers, representatives and designees (collectively, "Indemnified Parties") from and against any and all actions, suits, proceedings, claims, demands, damages, loss, liens, costs (including court costs and attorneys' fees including the allocated cost of in-house counsel), expenses or liabilities, of any kind or nature whatsoever, for injury to or death of persons or damage to property, including property owned by or under the care and custody of the Cities, which may be brought, made, filed against, imposed upon or sustained by the Indemnified Parties, or any of them, and arising from or attributable to or caused by any acts or omissions of Permittee or any of the Indemnified Parties relating to or arising out of the Permit Areas, or by reason of any actual or asserted failure of Permittee to keep, observe or perform any provision of this Permit, except to the extent that such injury, death or damage is caused by the active negligence or willful misconduct of the Indemnified Parties or any of them. The indemnity required herein shall survive the revocation, termination or expiration of this Permit.

15. INSURANCE.

15.1 The required insurance and the documents provided as evidence thereof shall be in the name of the Permittee. If policies are written with aggregate limits, the aggregate limit shall be at least twice the occurrence limits or as specified below:

15.1.1 Commercial General Liability. Commercial General Liability insurance shall be provided on Insurance Services Office (ISO) CGL Form No. CG 00 01 or the equivalent, including provisions for defense of additional insureds and defense costs in addition to limits. Policy limits shall be no less than Five Million Dollars (\$5,000,000) per occurrence for all coverage provided and Ten Million Dollars (\$10,000,000) general aggregate. The policy shall not limit coverage for the additional insured to "ongoing operations" or in any way exclude coverage for completed operations. Coverage shall be included on behalf of the insured for claims arising out of the actions of independent contractors. The policy shall contain no provisions or endorsements limiting coverage for contractual liability or third party over action claims, and defense costs shall be excess of limits. If the Permittee utilizes Subcontractors the policy must include work performed "by or on behalf" of the Permittee. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to either City or any employee or agent of either City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall not exclude contractual liability, restrict coverage to the sole liability of the Permittee or contain any other exclusion contrary to the Permit.

Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage. Coverage shall be provided for property damage or bodily injury that occurs on or within fifty (50) feet of railroad property using ISO CG 24 17 (10 01) or its equivalent.

If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Permit and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Permit.

The policy of insurance required above shall be endorsed as follows:

**Additional Insured:** The Indemnified Parties shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured using ISO Forms CG 20 10 (2004) and CG 20 37 (2004) or their equivalent. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to the Permit.

**Cancellation:** The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Directors, except ten (10) days advance notice shall be allowed for non-payment of premium.

15.1.2 Business Automobile Insurance. Automobile Liability Insurance shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). Limit shall be no less than One Million Dollars (\$1,000,000) combined single limit per accident. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to either City or any employee or agent of either City. If Permittee does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies provided that a separate policy limit is



provided for this coverage as required by this contract.

The policy of insurance required above shall be endorsed as follows:

**Additional Insured:** The Indemnified Parties shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to the Permit.

**Cancellation:** The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Directors, except ten (10) days advance notice shall be allowed for non-payment of premium.

**15.1.3 Pollution Legal Liability Insurance.** Pollution Legal Liability insurance shall be provided on a Pollution Legal Liability policy form or other policy form acceptable to Cities providing coverage for liability caused by pollution conditions arising out of the operations of Permittee. Coverage shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy limit shall be no less than One Million Dollars (\$1,000,000) per claim and One Million Dollars (\$1,000,000) general aggregate. All activities contemplated in the Permit shall be specifically scheduled on the policy as "covered operations." Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using Subcontractors the policy must include work performed "by or on behalf" of the insured. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to either City or any employee or agent of either City.

If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Permit and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Permit.

The policy of insurance required above shall be endorsed as follows:

**Additional Insured:** The Indemnified Parties shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the Permittee, or 4) contain any other exclusion contrary to the Permit.

**Cancellation:** The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Directors, except ten (10) days advance notice shall be allowed for non-payment of premium.

15.1.4 Workers' Compensation. Workers' Compensation Insurance, as required by the State of California, and Employer's Liability Insurance with a limit of not less than One Million Dollars (\$1,000,000) per accident for bodily injury and disease.

The policy of insurance required above shall be endorsed, as follows:

**Waiver of Subrogation:** A waiver of subrogation stating that the insurer waives all rights of subrogation against the Indemnified Parties.

**Cancellation:** The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Directors, except ten (10) days advance notice shall be allowed for non-payment of premium.

## 15.2 General Requirements.

15.2.1 Deductible/Self-Insured Retention. Any deductible or self-insured retention must be approved in writing by both Executive Directors and shall protect the Indemnified Parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. Any deductible or self-insured retention must be approved in writing in accordance with the insurance guidelines of both Cities.

### 15.2.2 Evidence of Insurance.

15.2.2.1 City of Long Beach. The Permittee, concurrently with the execution of the Permit, and as a condition precedent to the effectiveness thereof, shall deliver either endorsements on forms approved by the City of Long Beach acting by and through the Board of Harbor Commissioners ("Evidence of Insurance") or certified copies of the required policies containing the terms and conditions required by this contract to the Executive Director of the Port of Long Beach for approval as to sufficiency and to the City Attorney of the City of Long Beach for approval as to form.

NOTE: Copies of approved endorsement forms can be obtained from the Port of Long Beach website at:

[http://www.polb.com/economics/forms\\_permits/insurance.asp](http://www.polb.com/economics/forms_permits/insurance.asp)

15.2.2.2 City of Los Angeles. For the City of Los Angeles, electronic submission is the required method of submitting Permittee's insurance documents. Permittee's insurance broker or agent shall register with the City's online insurance compliance system KwikComply at <https://kwikcomply.org/> and submit the appropriate proof of insurance on Permittee's behalf.

Upon request by the City of Los Angeles, Permittee shall furnish a copy of the binder of insurance and/or a full certified policy for any insurance policy required herein. This obligation is intended to, and shall, survive the expiration or earlier termination of this Permit.

15.2.2.3 Both Cities. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance has been renewed or extended shall be filed with the Executive Directors. If such coverage is cancelled or reduced, Permittee shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Executive Directors evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

15.3 Failure to Maintain Coverage. Permittee agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been approved by the Cities.

15.4 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII, and authorized to do business in the State of California or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing in accordance with the insurance guidelines of both Cities.

15.5 Contractual Liability. The coverage provided shall apply to the obligations assumed by the Permittee under the indemnity provisions of this Permit but this insurance provision in no way limits the indemnity provisions and the indemnity provisions in no way limit this insurance provision.

15.6 Adjustment. Not more frequently than once each year, if in the opinion of either Executive Director the coverages or the limits of insurances described in this Paragraph are not adequate, Permittee shall modify the insurance coverage or increase the limits as required by either Executive Director.

15.7. Accident Reports. Permittee shall report in writing to Cities within thirty (30) days after it, its officers or managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Fifty Thousand Dollars (\$50,000) to property, occurring upon the Premises, or elsewhere within the Harbor Districts, if Permittee's officers, agents or employees are involved in such an accident or occurrence while undertaking the permitted uses. Such report shall contain to the extent available: (1) the name and address of the persons involved; (2) a general statement as to the nature and extent of injury or damage; (3) the date and hour of occurrence; (4) the names and addresses of known witnesses; and (5) such other information as may be known to Permittee, its officers or managing agents.

16. TAXATION. THIS PERMIT MAY CREATE A POSSESSORY INTEREST IN FAVOR OF PERMITTEE, WHICH MAY BE SUBJECT TO TAXES. PERMITTEE SHALL PAY, PRIOR TO DELINQUENCY, ANY SUCH TAXES, AND ANY OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. PERMITTEE SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS. PERMITTEE SHALL DELIVER SATISFACTORY EVIDENCE OF ALL SUCH PAYMENTS TO EACH EXECUTIVE DIRECTOR UPON DEMAND.

17. **NOTICE.** Any notice, demand, request, consent or communication that any party desires or is required to give to the other parties shall be in writing and either be served personally, by facsimile transmission with electronic verification of transmission, or sent by prepaid, certified mail, addressed as follows:

To the Cities:            Executive Director  
                                 Long Beach Harbor Department  
                                 P.O. Box 570  
                                 Long Beach CA 90801  
                                 Fax No.: (562) 283-7451

And:                        Executive Director  
                                 Los Angeles Harbor Department  
                                 425 South Palos Verdes Street  
                                 San Pedro, CA 90731  
                                 Fax No.: (310) 831-6936

With copies to:        Director of Real Estate  
                                 Long Beach Harbor Department  
                                 P.O. Box 570  
                                 Long Beach CA 90801  
                                 Fax No.: (562) 283-7451  
  
                                 Port of Los Angeles  
                                 425 South Palos Verdes Street  
                                 Post Office Box 151  
                                 San Pedro, CA 90731  
                                 Attention: Director of Cargo/Industrial Real Estate  
                                 Fax No.: (310) 547-4611  
  
                                 Cal Pacific Land Services, Inc.  
                                 7245 Garden Grove Blvd., Ste. M  
                                 Garden Grove, CA 92841  
                                 Attn: Ports' Property Manager  
                                 Fax No.: (714) 799-0500

Or such other Property Management firm as may be designated by the Cities from time to time.

To Permittee:            City of South Gate  
                                 8650 California Ave.  
                                 South Gate, CA 90280  
                                 Attn: Public Works Director  
                                 Phone: (323) 357-9657  
                                 Fax: (323) 563-9572

Any party may change its address by notifying the other parties of the change of address in accordance with this Paragraph. Notice shall be deemed communicated upon delivery if personally served or given by facsimile transmission and within seventy-two (72) hours from the time of mailing if mailed as provided in this Paragraph.

18. NO DISCRIMINATION. Permittee agrees, and as a condition to the continuance of this Permit, that it shall not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition or in any manner prohibited by any applicable law, including any laws established by the Cities. Permittee hereby agrees to comply with all reporting requirements related to such laws. Any contracts relating to the Permit Areas entered into by Permittee shall contain this provision. The provisions of Section 10.8.4 of the Administrative Code of the City of Los Angeles are attached hereto as Exhibit B, and are hereby incorporated herein and made a part hereof.

19. CONFLICT OF INTEREST. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Sections 1090 *et seq.* and Sections 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees, as well as the conflict of interest policies of the Cities. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the Cities relating to this Permit. Notwithstanding any other provision of this Permit, it is further understood and agreed that if such a financial interest does exist at the inception of or at any time during the continuance of this Permit, the Executive Director of either City may immediately terminate this Permit by giving notice to Permittee. Termination pursuant to this Paragraph shall not be termination by forfeiture.

20. MISCELLANEOUS PROVISIONS.

20.1. Effect of Waiver. No waiver by any party at any time of any terms or conditions of this Permit shall be a waiver at any subsequent time of the same or any other term or condition. The acceptance of a late Permit Fee by the Cities shall not be deemed a waiver of any other breach by Permittee of any term or condition of this Permit other than the failure of Permittee to make timely the particular payment so accepted.

20.2 Termination of Prior Agreements. This Permit supersedes Agreements described in Exhibit A or subsequent Exhibit A(x) to the extent of the Facilities described in Exhibit A or subsequent Exhibit A(x), each as of the effective date of this Permit. This Permit shall not operate to extinguish the indemnity and hazardous materials and premises restoration obligations imposed by said Agreements.

20.3 Costs of Cities. Whenever this Permit requires Permittee to reimburse the Cities for costs of the Cities, such costs are agreed to include all direct and indirect costs which the Cities incur whether with the Cities' own forces or with independent contractors. These costs include salaries and all other costs the Cities incur for their employees, including attorneys, all material and equipment costs, together with an administrative handling charge and allocation of general overhead expense as determined by the Cities in good faith.

20.4 No Joint Venture. Nothing contained in this Permit shall have the effect of creating a joint venture or partnership between or among the parties, or of rendering one liable for any of the debts or obligations of any other, unless expressly provided in this Permit. Further, nothing contained in this Permit shall have the effect of creating a joint venture or partnership between the Cities or to render either of such entities liable for the debts, obligations or actions of the other, nor shall either the City of Los Angeles or the City of Long Beach be liable or responsible hereunder for any default, failure of performance, action or inaction of the other solely as a result of this Permit.

20.5 Actions of the Cities. All actions (except as otherwise specified in this Permit), approvals, decisions and consents of the Cities under this Permit shall require the consent of both the City of Los Angeles and the City of Long Beach in the Cities' sole and absolute discretion.

20.6 Governing Law; Venue. This Permit shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Permit shall be tried and litigated exclusively in the State and Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules. The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of this Permit in any jurisdiction other than that specified in this Paragraph, except that the Cities or either of them may in their sole and absolute discretion file and pursue actions in other forums in order to obtain such relief as the Cities or either of them deem appropriate.

20.7 Construction; Headings. The language in all parts of this Permit shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties. Paragraph headings in this Permit are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Permit. Whenever required by the context of this Permit, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall each include the other. References in this Permit to days shall mean calendar days unless otherwise expressly provided.

20.8 Severability. Each provision of this Permit shall be interpreted so as to be effective and valid to the fullest extent possible. In the event, however, that any provision contained herein shall for any reason be held invalid, illegal or unenforceable in any respect, then, in order to effect the purposes of this Permit it shall be construed as if such provision had never been contained herein.

20.9 Amendments. This Permit shall not be altered, modified, or amended except by an instrument in writing, agreed to and signed by all parties. Any such alterations, modifications, or amendments are subject to all applicable approval processes required by, without limitation, either of the Cities' Charter and Administrative Codes.

20.10 No Liens. Permittee shall pay or cause to be paid all costs and charges for work done by it or caused to be done by it in, on, or to the Permit Areas and for all materials furnished for or in connection with such work. Permittee shall keep the Permit Areas free from any mechanics' liens, vendors' liens or any other liens arising out of any work performed, materials furnished or obligations incurred by Permittee. In the event that there shall be recorded against the Permit Areas or the property of which the Permit Areas are a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Permittee and such claim or lien is not removed or discharged, or Permittee has not provided a bond therefor, within ten (10) days of filing, the claim or lien shall constitute a default hereunder and the Cities shall have the right but not the obligation to pay and discharge the lien without regard to whether such lien shall be lawful or correct. Nothing contained in this Permit shall be deemed the consent or agreement of the Cities to subject the Cities' interest in the Permit Areas to liability under any mechanics' or other lien law.

20.11 Signs. Except for signs, markings and notices required by agencies with jurisdiction, Permittee shall not install, place, inscribe, paint or otherwise attach any sign, advertisement, notices, marquee or awning on any part of the Permit Areas without the prior written consent of the Cities.

20.12 Security Measures. Permittee hereby acknowledges that the Permit Fee payable to the Cities hereunder does not include the cost of guard service or other security measures, and that the Cities have no obligation whatsoever to provide security. Permittee assumes all responsibility for the security and protection of the Permit Areas, Permittee, its agents and invitees and their property from the acts of third parties.

20.13 Small/Very Small Business Enterprise Program. It is the policy of the City of Los Angeles to provide Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE) and Minority-Owned, Women-Owned, Disabled Veteran Business Enterprises and all Other Business Enterprises (MBE/WBE/DVBE/OBE) an equal opportunity to participate in the performance of all City of Los Angeles contracts in all areas where such contracts afford such participation opportunities. Permittee shall assist the City of Los Angeles in implementing this policy and shall use its best efforts to afford the opportunity for SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including SBEs, VSBEs, MBEs, WBEs, DVBEs, and OBEs, have equal participation opportunities which might be presented under the Permit.

20.14 Service Contract Worker Retention and Living Wage Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 13, 1999 agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contract Worker Retention (SCWR) as the policy of the Harbor Department. Further, Charter Section 378 requires compliance with the City's Living Wage (LW) requirements. Permittee shall comply with these policies wherever applicable. Violation of this provision, where applicable, shall entitle the City of Los Angeles to terminate this Permit and otherwise pursue legal remedies that may be available.

20.15 Deleted.

20.16 Manager; Representatives. The Cities may designate one or more property managers, representatives, designees or employees to serve as their respective contact person or persons for purposes of this Permit. Permittee agrees to cooperate with any other persons or entities occupying, managing, using or performing work on the various portions of the Permit Areas, including but not limited to ACTA and its designees.

20.17 Equal Benefits Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Harbor Department. Permittee shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate this Permit with Permittee and pursue any and all other legal remedies that may be available.

21. ADDITIONS. There is attached to this Permit an addendum, consisting of numbered Paragraphs N/A, inclusive, the provisions of which are made a part of this Permit as though set forth herein in full.

22. DELETIONS. Paragraph 20.15 is deleted and is not considered as part of this Permit, and it is so marked.

23. COUNTERPARTS. This Permit may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

"PERMITTEE"

CITY OF SOUTH GATE,  
a California municipal corporation

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20\_\_

**DRAFT**



**"CITIES"**

**THE CITY OF LONG BEACH**, a municipal corporation, acting by and through its Board of Harbor Commissioners

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Mario Cordero  
Executive Director  
Long Beach Harbor Department

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CHARLES PARKIN**, City Attorney

By: \_\_\_\_\_  
David R. Albers, Deputy

**THE CITY OF LOS ANGELES**, a municipal corporation, acting by and through its Board of Harbor Commissioners

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Eugene D. Seroka  
Executive Director  
Los Angeles Harbor Department

Attest: \_\_\_\_\_  
Secretary

Approved as to form and legality this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**MICHAEL N. FEUER**, City Attorney  
Janna B. Sidley, General Counsel

By: \_\_\_\_\_  
Heather M. McCloskey, Deputy

## Exhibit A

### City of South Gate Facilities on Port of Long Beach/Port of Los Angeles Jointly Owned Railroad Rights of Way

MJRP Index No.	Exhibit B Map No.	Railroad Right of Way	Joint Ports File Number	Mile Post	Location	Facility Description	POLB No. HD-	Former Lease Audit No.	Date of Occupancy	Facility Status	Length (ft.)	Width (ft.)	Annual Fee	
1	B-1	UPRR San Pedro Sub	N/A	7.52	Atlantic Ave.	20" Casing with Traffic Control Wiring	N/A	N/A	New Facility	New Facility	135	6	\$0	(1)
2	B-2	UPRR San Pedro Sub	N/A	8.00	Adjacent to Mason St. N of Firestone Blvd.	Electrical Service Cabinet for Traffic Control Wiring	N/A	N/A	New Facility	New Facility	10	8	\$0	(1)
3	B-3	UPRR San Pedro Sub	N/A	8.06	Firestone Blvd. / Firestone Pl.	20" Casing and Conduit for Traffic Control Wiring	N/A	N/A	New Facility	New Facility	140	6	\$0	(1)
4	B-4	UPRR San Pedro Sub	N/A	8.10	Firestone Blvd.	Sidewalk & Curb, New, on S side	N/A	N/A	New Facility	New Facility	654 SqFt	N/A	\$0	(1)
5	B-5	UPRR San Pedro Sub	N/A	8.28	Rayo Ave.	Sidewalk and Pedestrian Access, N Side	N/A	N/A	New Facility	New Facility	480 SqFt	N/A	\$0	(1)
6	B-6	UPRR San Pedro Sub	P-00635	7.52	Atlantic Ave.	Underground 10" Cast Iron Water Pipeline	HD-5438-133	80962	8/25/1953	Active	120	5	\$2,000	
7	B-7	UPRR San Pedro Sub	P-00636	8.03	Mason St.	Underground 30" Corrugated Metal Storm Drain Pipeline	HD-5438-132	84051	12/1/1954	Active	80	7	\$0	(1)
8	B-8	UPRR San Pedro Sub	P-00629	8.13	Branyon Ave.	Underground 30" Corrugated Metal Storm Drain Pipeline	HD-5438-135	78946	10/2/1952	Active	90	7	\$0	(1)
9	B-9	UPRR San Pedro Sub	P-00631	8.16	S of Branyon Ave.	Underground 2" Steel Water Pipeline	HD-5438-136	71922	8/20/1949	Active	80	5	\$2,000	
10	B-10	UPRR San Pedro Sub	TBD	8.29	Rayo Ave.	Pedestrian Sidewalk, S Side	N/A	None	Not Available	Active	465 Sqft	N/A	\$0	(1)

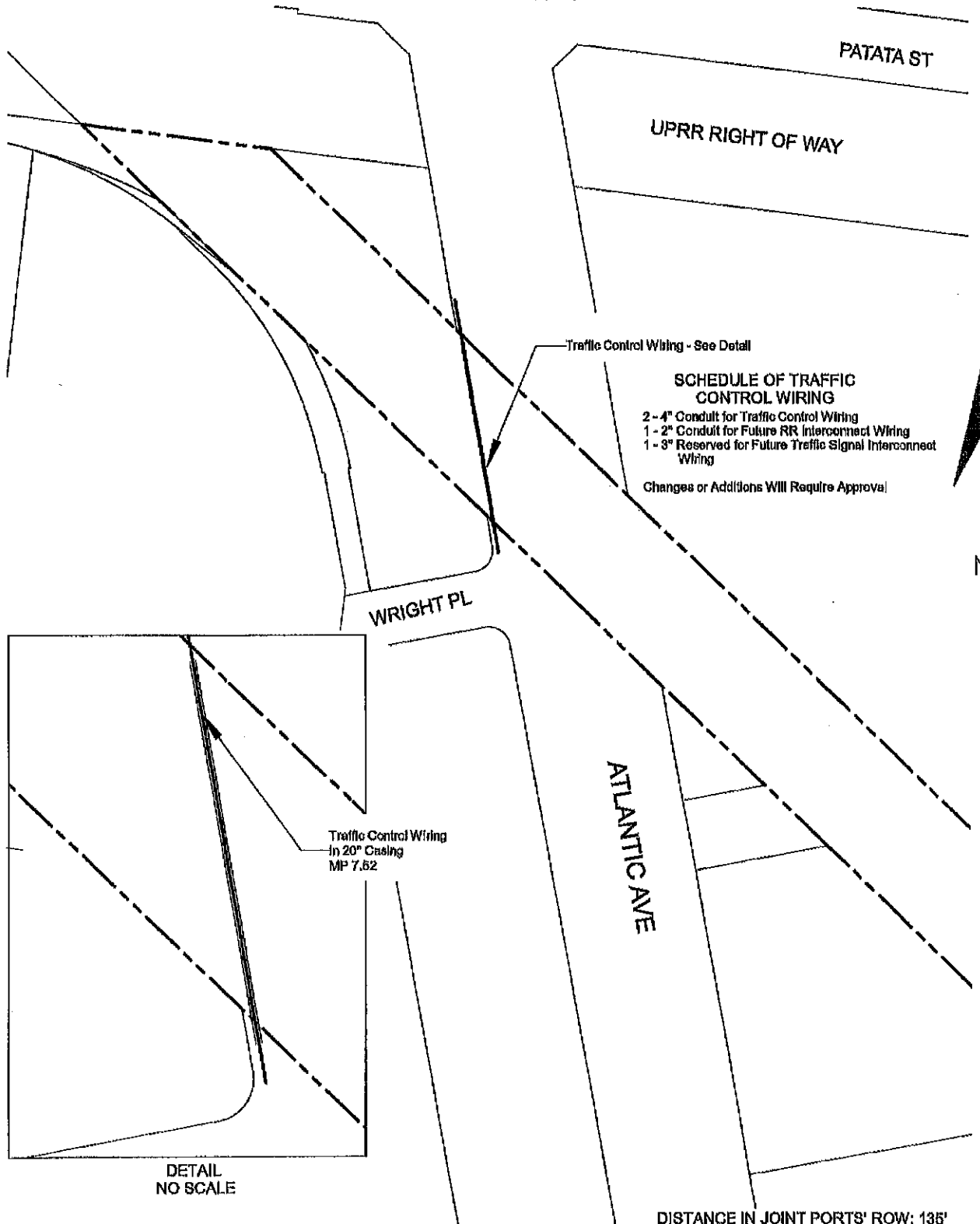
MJRP Index No.	Exhibit B Map No.	Railroad Right of Way	Joint Ports File Number	Mile Post	Location	Facility Description	POLB No. HD-	Former Lease Audit No.	Date of Occupancy	Facility Status	Length (ft.)	Width (ft.)	Annual Fee	
11	B-11	UPRR San Pedro Sub	P-00633	8.48	Salt Lake Ave. & Wood Ave.	Underground 30" Iron Storm Drain Pipeline	HD-5438-134	79029	11/17/1952	Active	80	7	\$0	(1)
12	B-12	UPRR San Pedro Sub	P-00674	8.91	SE of I-710, NW of Rio Hondo Channel	Private Road Crossing	HD-5438-99	73844-2	2/15/1954	Active	80	30	\$7,680	
13	B-13	UPRR San Pedro Sub	P-00628	8.91	SE of I-710, NW of Rio Hondo Channel	Underground 2" Cast Iron Water Pipeline in 4" Steel Casing	HD-5438-137	85196	9/30/1960	Active	84	5	\$2,000	
14	B-14	UPRR San Pedro Sub	P-00627	8.92	SE of I-710, NW of Rio Hondo Channel	Underground 480 kV Powerline in 6" Steel Casing	HD-5438-224	159714	2/25/1992	Active	84	5	\$2,000	
15	B-15	UPRR San Pedro Sub	N/A	9.41 & 9.43	Imperial Highway	Sidewalk & Paving	N/A	N/A	Not Available/ New Facility	Active	15 & 33 SqFt		\$0	(1)
16	B-16	UPRR San Pedro Sub	N/A	9.42	Imperial Highway	12" VCP Sanitary Sewer in 110' Steel Casing	N/A	N/A	Not Available/ New Facility	Active	57		\$0	(1)

**TOTAL**    \$15,680

(1) Fee abated for the present use. In the event the use is changed, fees will be assessed in accordance with the terms of the MJRP.

28

# EXHIBIT B-1



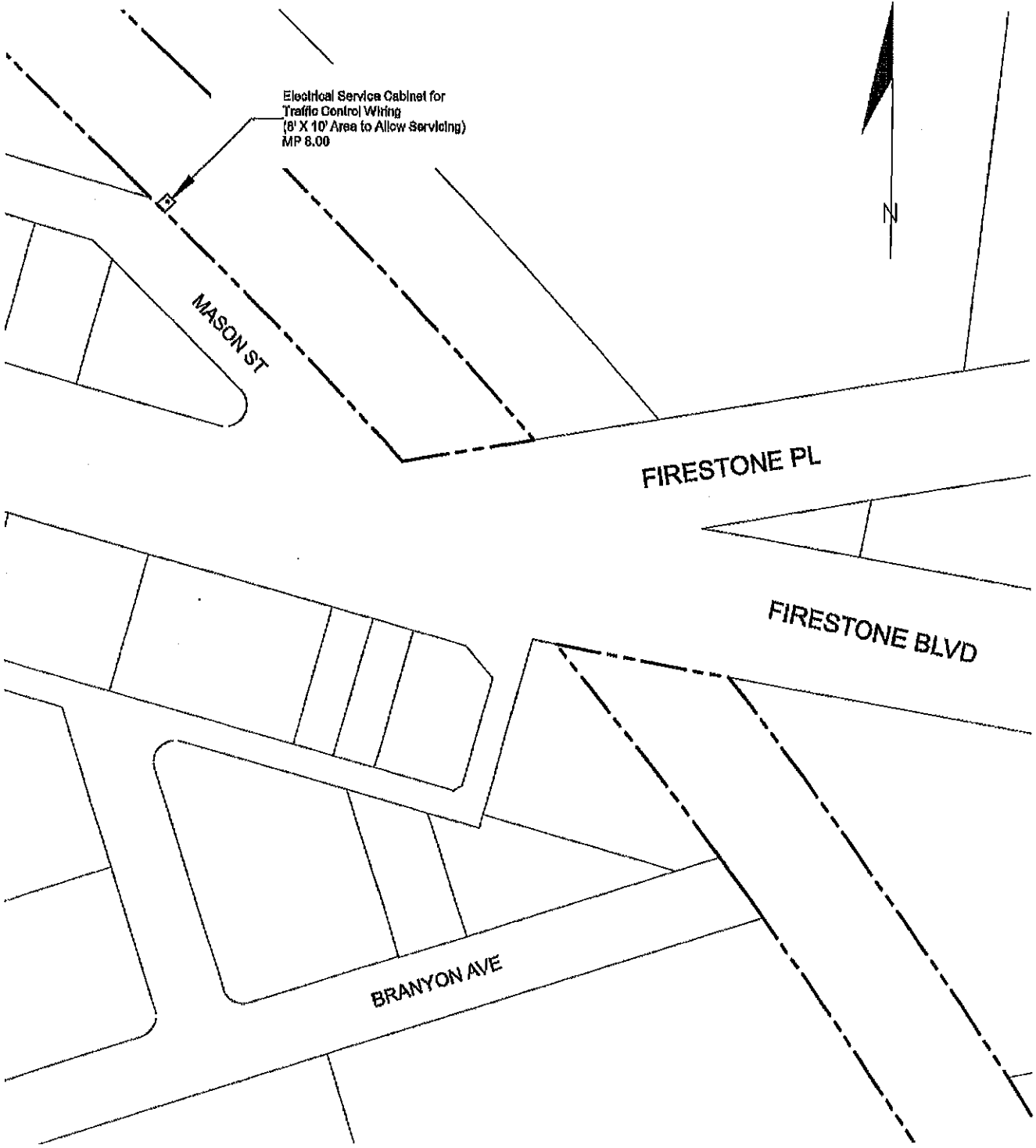
1" = 100'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 714/789-0800	<b>PORT OF LONG BEACH/PORT OF LOS ANGELES</b>				
	PERMITTEE <b>CITY OF SOUTH GATE</b>				
	RR	MP	FACILITY		
	FORMER UPRR SAN PEDRO BR	AS SHOWN	AS SHOWN		
	CITY			COUNTY	
SOUTH GATE			LOS ANGELES		
SCALE	THOMAS GUIDE	REVISION	DATE	SHEET NO.	
AS SHOWN	705 E3	1	7/2/2016		

# EXHIBIT B-2



DETAIL  
NO SCALE



1" = 100'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

AREA IN JOINT PORTS' ROW: 80 SQ FT

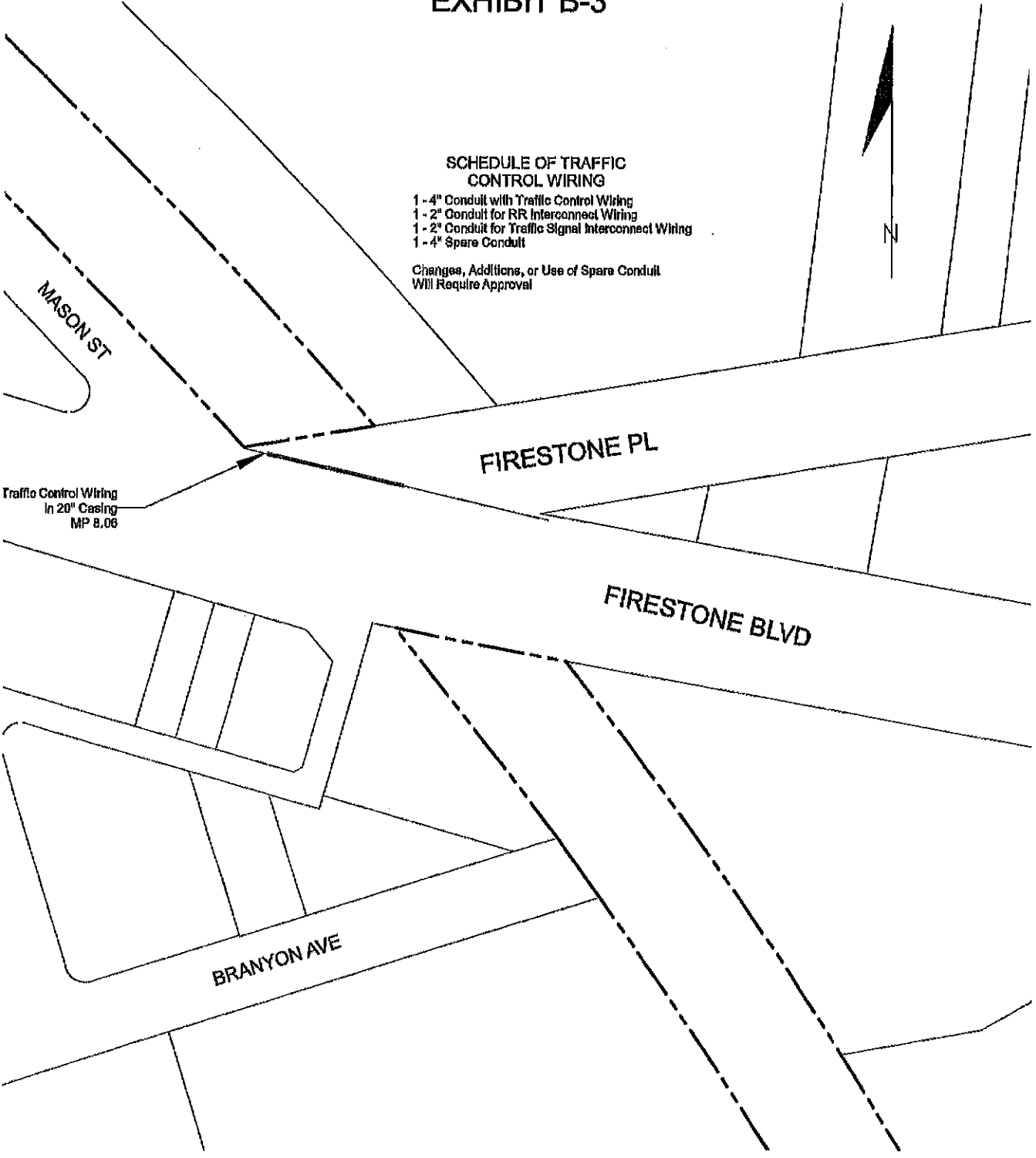
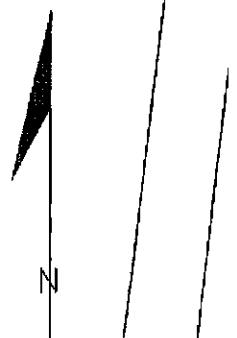
CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92647 714/759-0500					PORT OF LONG BEACH/PORT OF LOS ANGELES									
					PERMITTEE CITY OF SOUTH GATE									
RR	FORMER UPRR SAN PEDRO BR	MP	AS SHOWN	FACILITY	AS SHOWN									
CITY					SOUTH GATE					COUNTY LOS ANGELES				
SCALE	AS SHOWN		THOMAS GUIDI 705 E3		REVISION	1		DATE	7/10/2016		SHEET NO.			

# EXHIBIT B-3

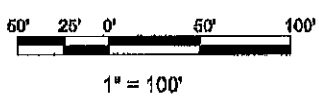
## SCHEDULE OF TRAFFIC CONTROL WIRING

- 1 - 4" Conduit with Traffic Control Wiring
- 1 - 2" Conduit for RR Interconnect Wiring
- 1 - 2" Conduit for Traffic Signal Interconnect Wiring
- 1 - 4" Spare Conduit

Changes, Additions, or Use of Spare Conduit Will Require Approval



DETAIL  
NO SCALE

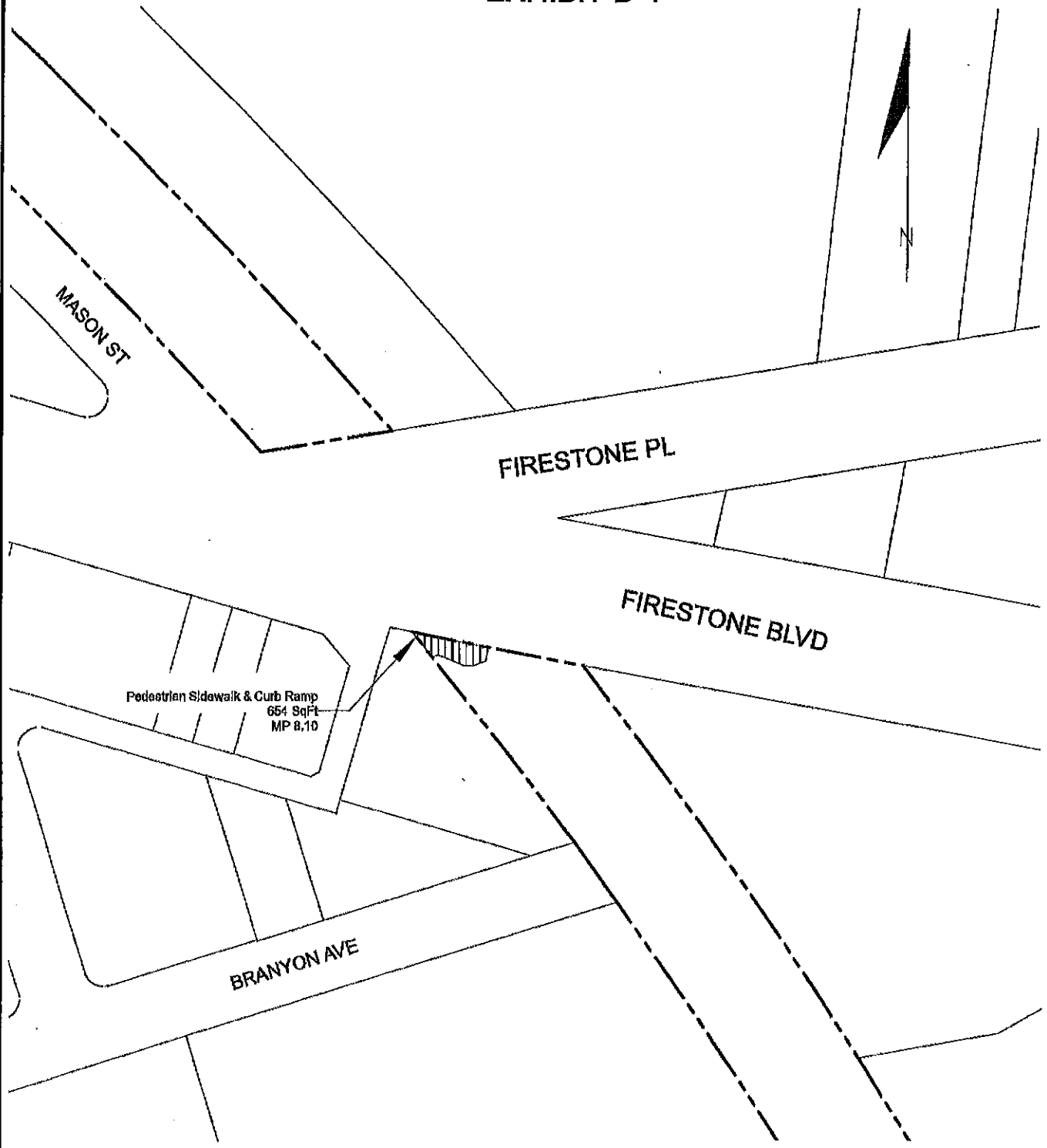


DISTANCE IN JOINT PORTS' ROW: 140'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.  
Ports' ROW Delineated by

CALL PACIFIC LAND SERVICES, INC. 7246 Garfield Grove Blvd., Ste. 11 San Diego, CA 92121 714/794-0800	<b>PORT OF LONG BEACH/PORT OF LOS ANGELES</b>				
	PERMITTEE <b>CITY OF SOUTH GATE</b>				
	RR FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN		
	CITY SOUTH GATE			COUNTY LOS ANGELES	
	SCALE AS SHOWN	THOMAS GUIDE 708 E3	REVISION 1	DATE 7/2/2015	SHEET NO.

# EXHIBIT B-4



DETAIL  
NO SCALE



1" = 100'

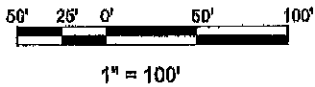
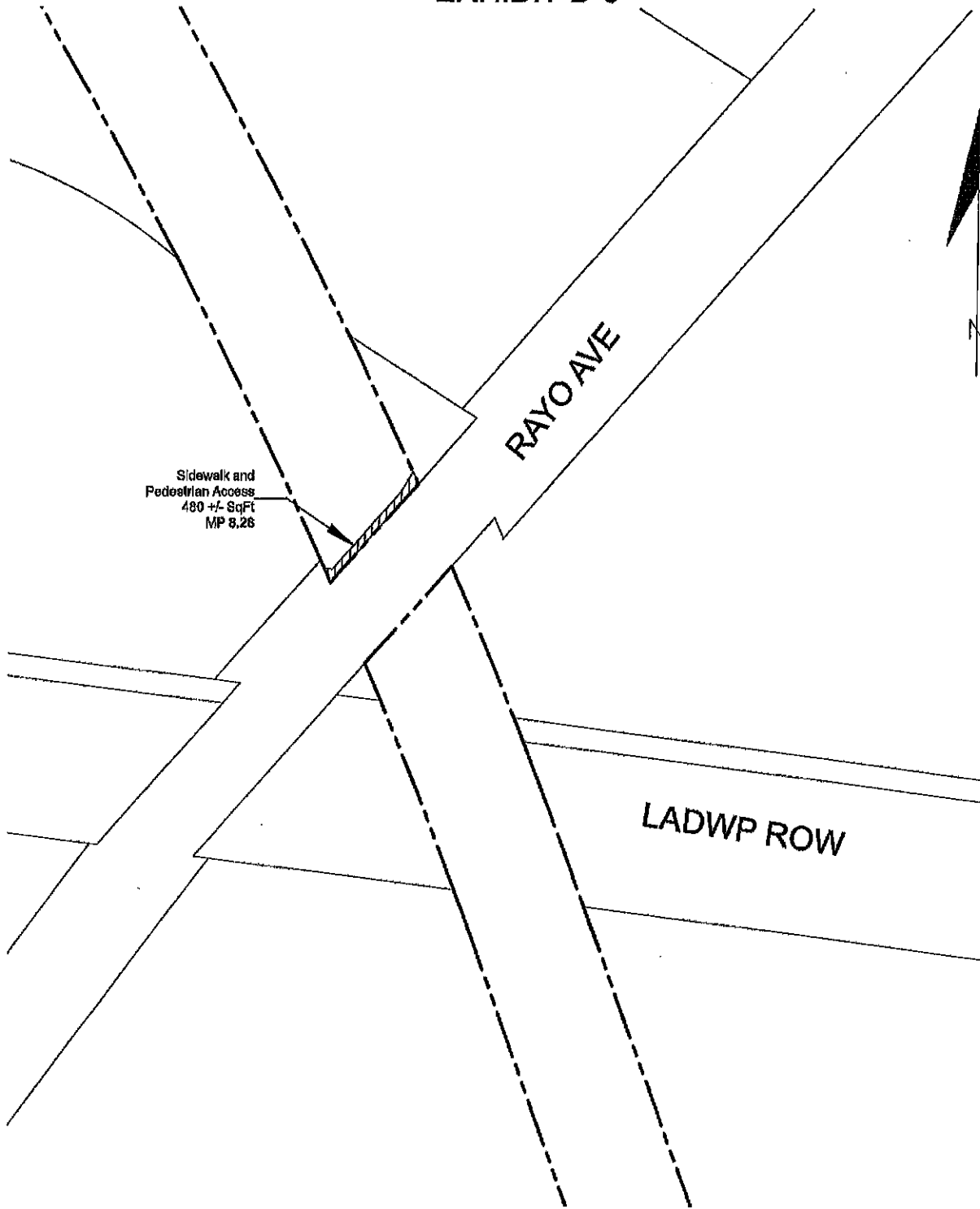
This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

AREA IN JOINT PORTS' ROW: 654 SQ FT

CALL PACIFIC LAND SERVICES, INC. 7246 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 714/755-6680					PORT OF LONG BEACH/PORT OF LOS ANGELES				
					PERMITTEE: CITY OF SOUTH GATE				
MP	AS SHOWN	FACILITY	AS SHOWN						
FORMER UPRR SAN PEDRO BR	MP AS SHOWN								
CITY SOUTH GATE			COUNTY LOS ANGELES						
SCALE AS SHOWN	THOMAS GUIDE 705 E3	REVISION 1	DATE 7/2/2015	SHEET NO.					

# EXHIBIT B-5



This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.  
Ports' ROW Delineated by

AREA IN JOINT PORTS' ROW: 480 SQ FT

<small>CAL PACIFIC LAND SERVICES, INC. 7246 Garden Grove Blvd., Ste. 11 Garden Grove, CA 92641 714/798-0800</small>				PORT OF LONG BEACH/PORT OF LOS ANGELES			
				PERMITTEE: CITY OF SOUTH GATE			
RR	MP	AS SHOWN	FACILITY	AS SHOWN			
FORMER UPRR SAN PEDRO BR							
CITY			COUNTY				
SOUTH GATE			LOS ANGELES				
SCALE	THOMAS GUIDE	REVISION	DATE	SHEET NO.			
AS SHOWN	706 EA	1	7/2/2016				



# EXHIBIT B-6

PATATA ST

UPRR RIGHT OF WAY

10" Cast Iron Water Pipe  
MP 7.62

WRIGHT PL

ATLANTIC AVE



DETAIL  
NO SCALE



1" = 100'

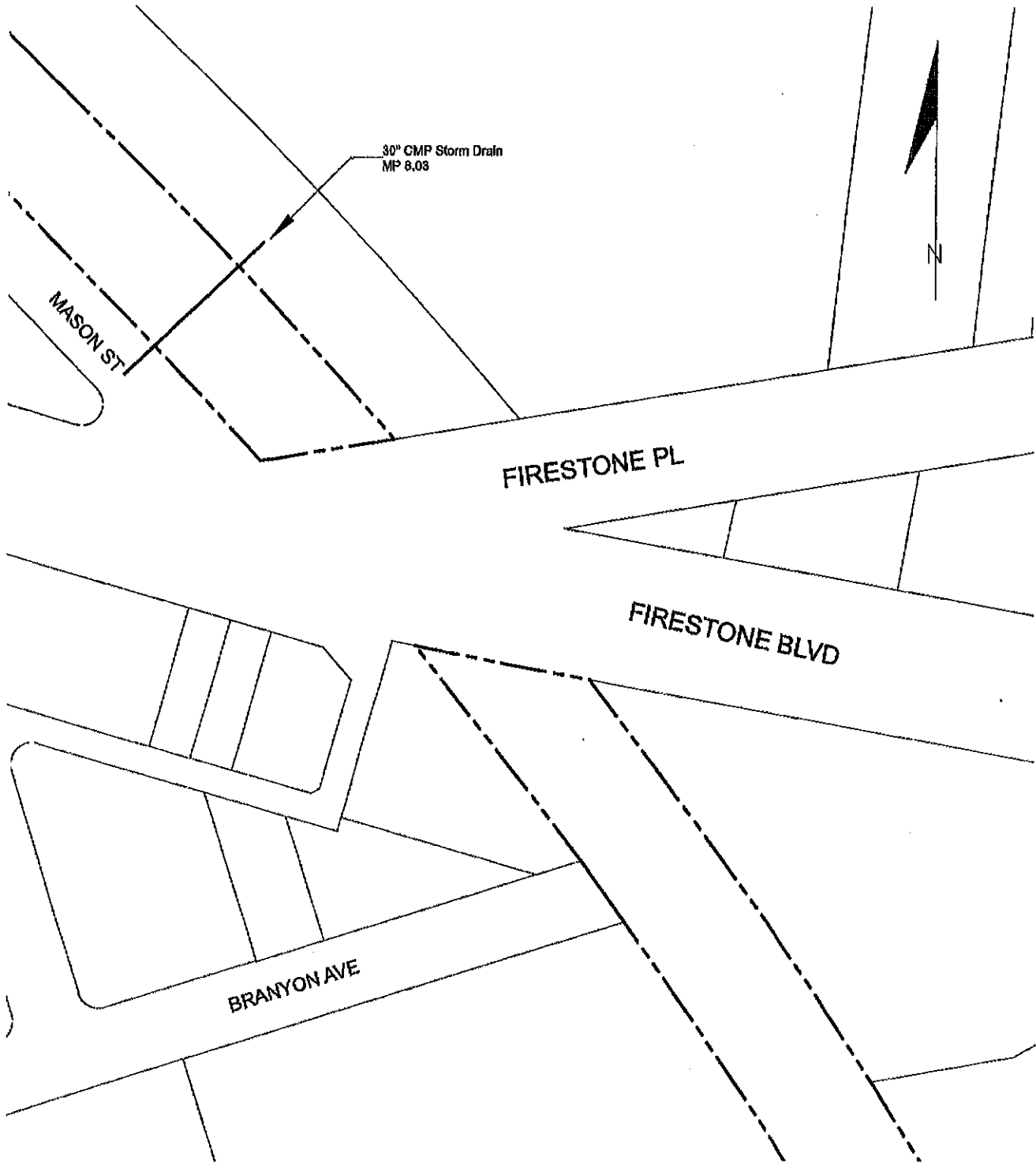
DISTANCE IN JOINT PORTS' ROW: 120'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

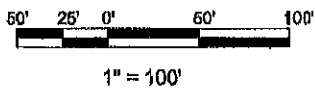
Ports' ROW Delineated by

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 714/768-0600		PORT OF LONG BEACH/PORT OF LOS ANGELES			
		PERMITTEE CITY OF SOUTH GATE			
RE: FORMER UPRR SAN PEDRO DR	MP AS SHOWN	FACILITY AS SHOWN			
CITY SOUTH GATE			COUNTY LOS ANGELES		
SCALE AS SHOWN	THOMAS GUIDE 705 E3	REVISION 2	DATE 7/22/2016	SHEET NO.	

# EXHIBIT B-7



DETAIL  
NO SCALE

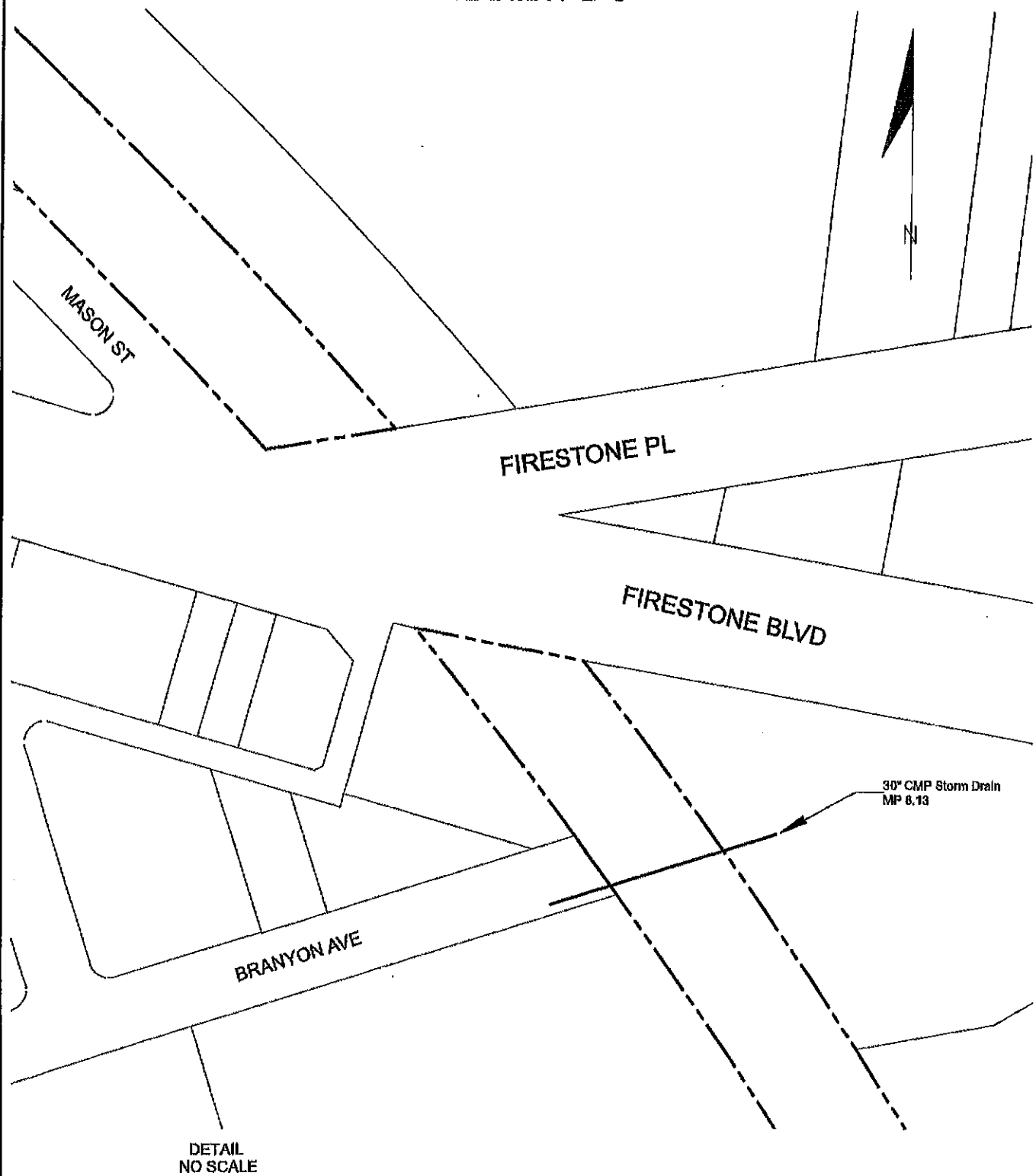


DISTANCE IN JOINT PORTS' ROW: 80'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.  
Ports' ROW Delineated by \_\_\_\_\_

CAL PACIFIC LAND SERVICES, INC. 7545 Garden Grove Blvd., Ste. M Garden Grove, CA 92647 714/784-6800					PORT OF LONG BEACH/PORT OF LOS ANGELES				
					PERMITTEE CITY OF SOUTH GATE				
TR FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN							
CITY SOUTH GATE			COUNTY LOS ANGELES						
SCALE AS SHOWN	THOMAS GUIDE 708 E3	REVISION 2	DATE 7/2/2016	SHEET NO.					

# EXHIBIT B-8



DETAIL  
NO SCALE



1" = 100'

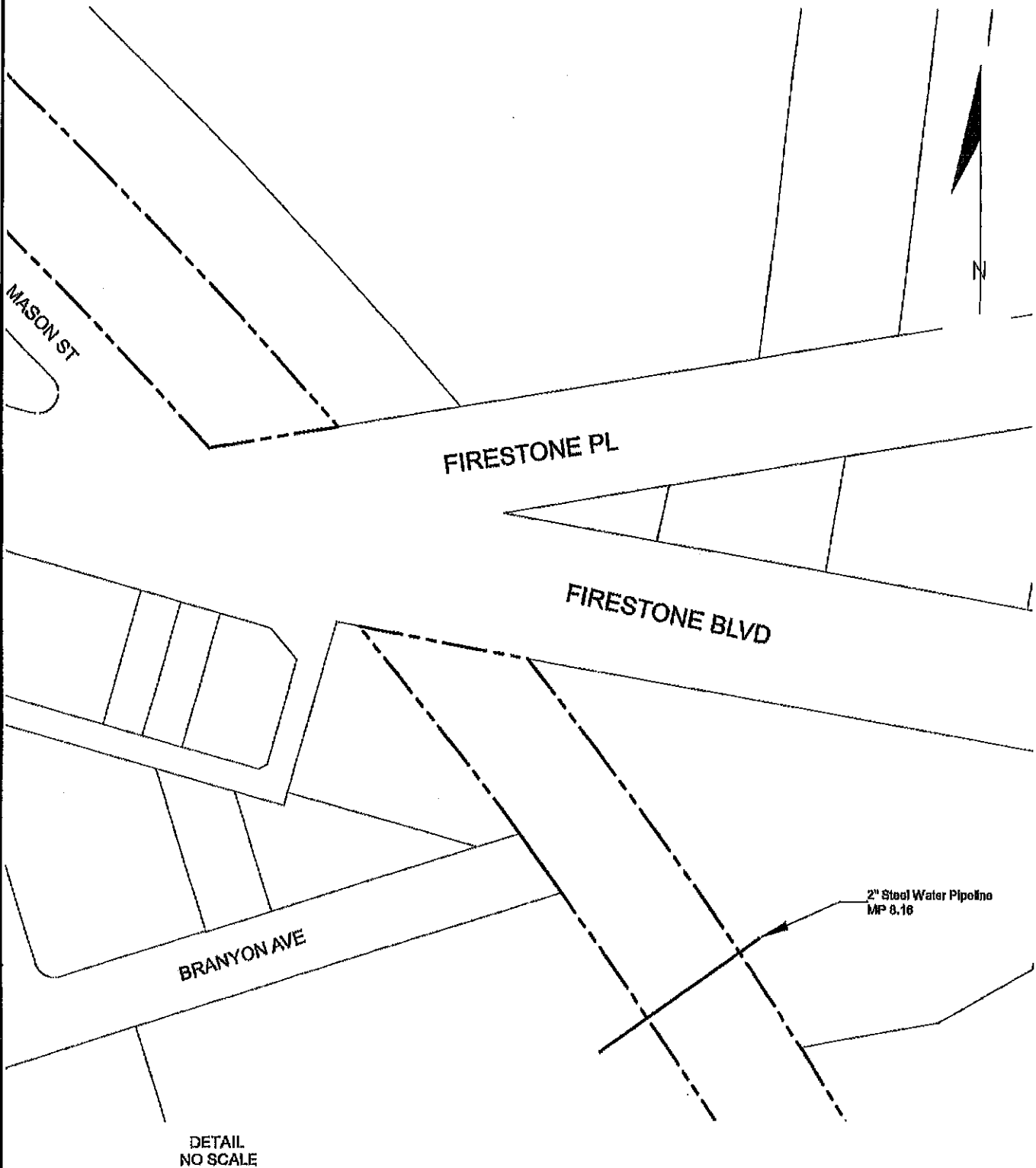
DISTANCE IN JOINT PORTS' ROW: 90'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

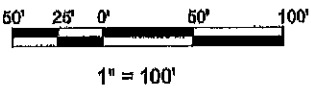
Ports' ROW Delineated by

CAL PACIFIC LAND SERVICES, INC. 7240 Gardner Grove Blvd., Ste. M Gardena, CA 90247 714/793-0060	PORT OF LONG BEACH/PORT OF LOS ANGELES			
	PERMITTEE CITY OF SOUTH GATE			
	RR FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN	
	CITY SOUTH GATE		COUNTY LOS ANGELES	
	SCALE AS SHOWN	THOMAS GUIDE 705 E3	REVISION 2	DATE 7/2/2015

# EXHIBIT B-9



DETAIL  
NO SCALE

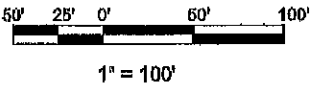
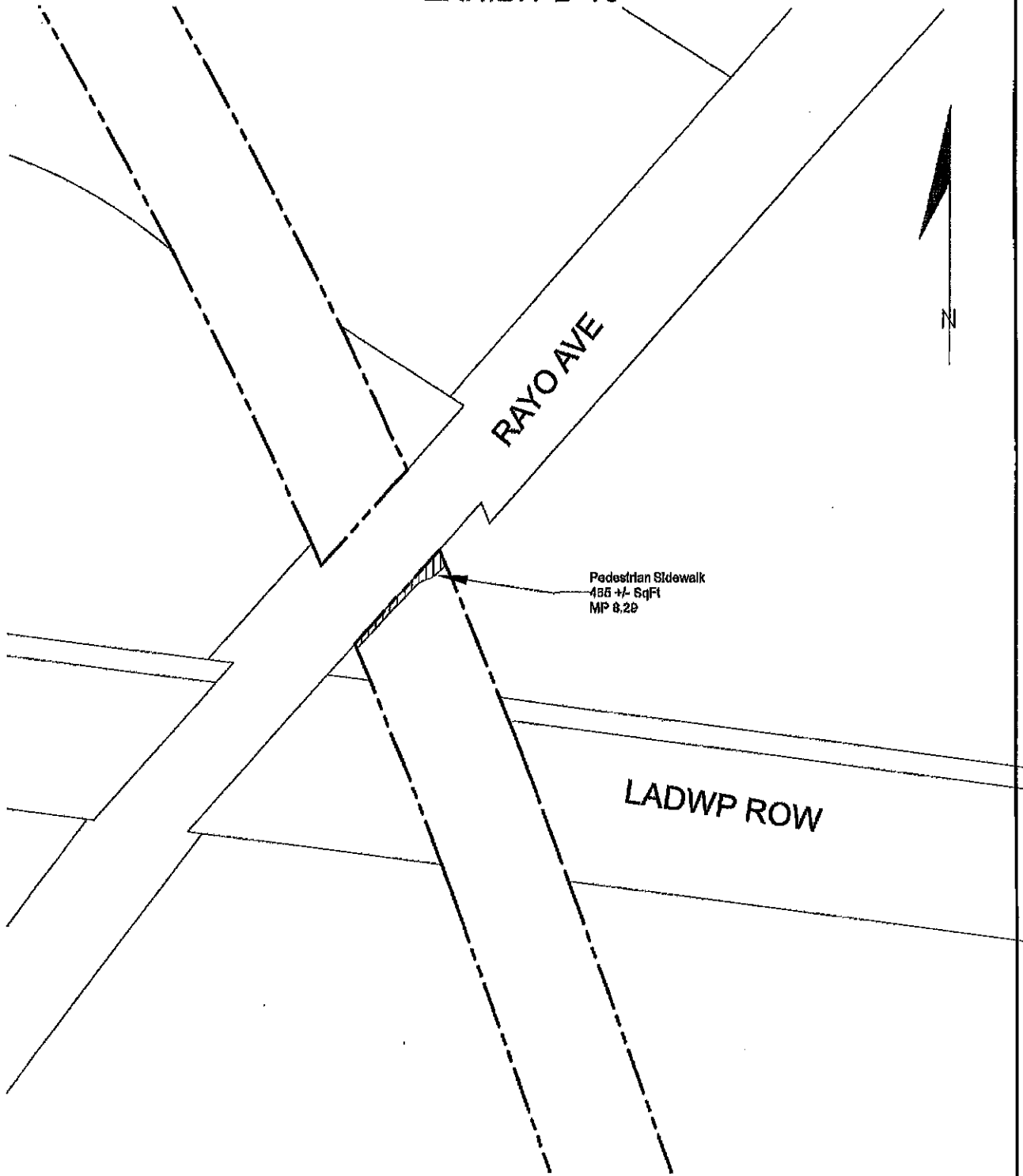


DISTANCE IN JOINT PORTS' ROW: 80'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.  
Ports' ROW Delineated by

CALL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 PH: 714-862-0800	PORT OF LONG BEACH/PORT OF LOS ANGELES				
	PERMITTEE CITY OF SOUTH GATE				
	RR FORMER UPPER SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN		
	CITY SOUTH GATE		COUNTY LOS ANGELES		
	SCALE AS SHOWN	THOMAS GUIDE 706 E4	REVISION 2	DATE 7/2/2015	SHEET NO.

# EXHIBIT B-10



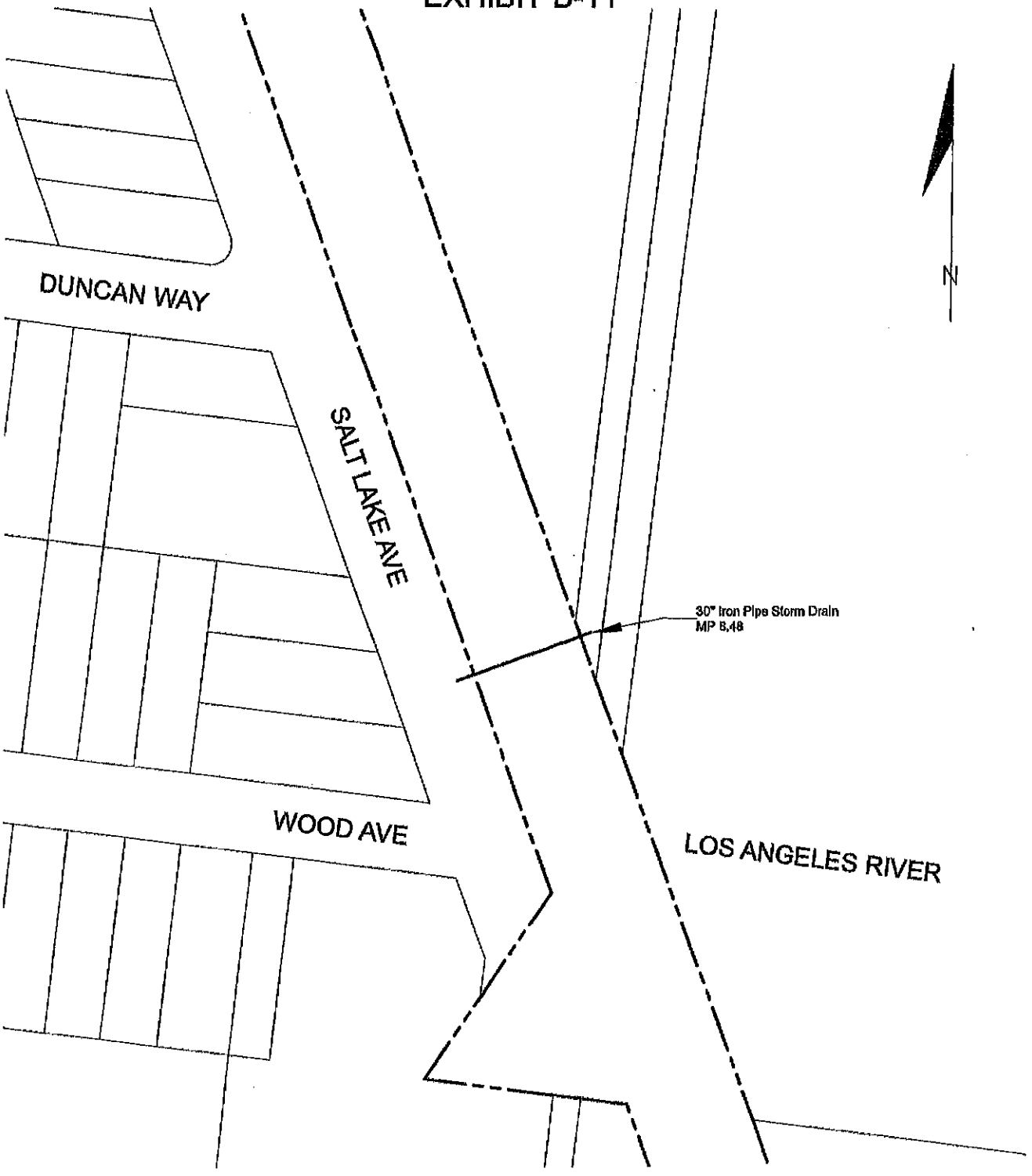
This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

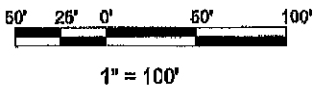
AREA IN JOINT PORTS' ROW: 485 SQ FT

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 714/789-0800		PORT OF LONG BEACH/PORT OF LOS ANGELES			
		PERMITTEE CITY OF SOUTH GATE			
R/R FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN			
CITY SOUTH GATE			COUNTY LOS ANGELES		
SCALE AS SHOWN	THOMAS GUIDE 705 EA	REVISION 2	DATE 7/2/2016	SHEET NO.	

# EXHIBIT B-11



DISTANCE IN JOINT PORTS' ROW: 80'



This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by -----

CAL PACIFIC LAND SERVICES, INC.  
 7245 Garden Grove Blvd., Ste. M  
 Garden Grove, CA 92641  
 714/778-0900

PORT OF LONG BEACH/PORT OF LOS ANGELES				
PERMITTEE CITY OF SOUTH GATE				
BY FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN		
CITY SOUTH GATE			COUNTY LOS ANGELES	
SCALE AS SHOWN	THOMAS GUIDE 708 FB	REVISION 2	DATE 7/2/2015	SHEET NO.

EXHIBIT B-12

I-710



30' Wide Private Crossing  
MP 0.91

ASSESSORS PARCEL NUMBER  
6233-003-902

PRIVATE CROSSING MUST MEET ALL REQUIREMENTS  
OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION.

On each approach to the private crossing, Permittee must  
install and maintain a "STOP" sign meeting the requirements  
of Standard R1-1 in the CA MUTCD.

A Standard 1-X "PRIVATE CROSSING" sign as shown below  
must be mounted below each "STOP" sign.

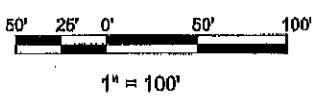
The words "No Trespassing / Subject to Control By Owner"  
shall be placed on the "PRIVATE CROSSING" sign.



ASSESSORS PARCEL NUMBER  
6233-002-901

RIO HONDO CHANNEL

AREA IN JOINT PORTS' ROW: 2,400 +/- SQ FT



This Exhibit is not a representation or warranty of the extent of,  
or boundaries of, the Ports' Property.  
Ports' ROW Delineated by \_\_\_\_\_

CALL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92641 714/788-0800				
PORT OF LONG BEACH/PORT OF LOS ANGELES				
PERMITTEE CITY OF SOUTH GATE				
FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN		
CITY SOUTH GATE		COUNTY LOS ANGELES		
SCALE AS SHOWN	THOMAS GUIDE 708 F5	REVISION 2	DATE 7/2/2016	SHEET NO.

EXHIBIT B-13

I-710



2" Cast Iron Water Pipeline in 30" of 4" Casing  
MP 8.91

ASSESSORS PARCEL NUMBER  
6233-003-902

ASSESSORS PARCEL NUMBER  
6233-002-901

RIO HONDO CHANNEL

DISTANCE IN JOINT PORTS' ROW; 84'

50' 25' 0' 50' 100'

1" = 100'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by \_\_\_\_\_

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. 14 Garden Grove, CA 92641 714/786-8800	PORT OF LONG BEACH/PORT OF LOS ANGELES			
	PERMITTEE CITY OF SOUTH GATE			
	PERMITEE FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN	
	CITY SOUTH GATE		COUNTY LOS ANGELES	
	SCALE AS SHOWN	THOMAS GUIDE 705 F5	REVISION 2	DATE 7/2/2015
	SHEET NO.			



EXHIBIT B-14

I-710



480 KV Powerline Crossing In 6" Steel Casing  
MP 8.82

ASSESSORS PARCEL NUMBER  
6233-003-902

ASSESSORS PARCEL NUMBER  
6233-002-901

RIO HONDO CHANNEL

DISTANCE IN JOINT PORTS' ROW: 84'



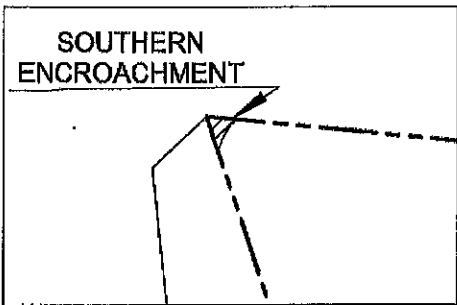
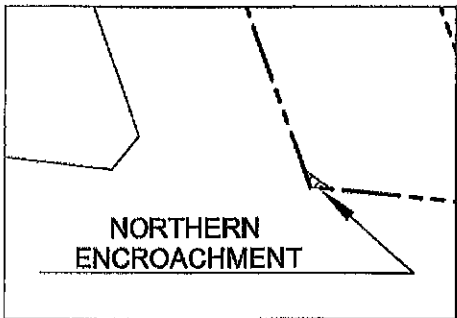
1" = 100'

This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

CAL PACIFIC LAND SERVICES, INC. 7246 Granddune Blvd., Ste. 10 Gardena, CA 90247 714/798-8903	PORT OF LONG BEACH/PORT OF LOS ANGELES				
	PERMITTEE				
	CITY OF SOUTH GATE				
	BR	MP	AS	FACILITY	
	FORMER UPRR	SAN PEDRO BR	AS SHOWN	AS SHOWN	
	CITY			COUNTY	
SOUTH GATE			LOS ANGELES		
SCALE	THOMAS GUNJE	REVISION	DATE	SHEET NO.	
AS SHOWN	705 '95	2	7/2/2018		

# EXHIBIT B-15



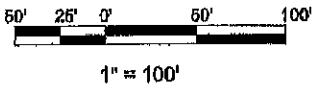
DETAIL - NO SCALE

Sidewalk 15 +/- SqFt  
MP 9.41

IMPERIAL HWY

Street Paving and Sidewalk 33 +/- SqFt  
MP 9.43

GARFIELD PL



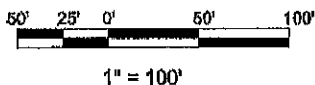
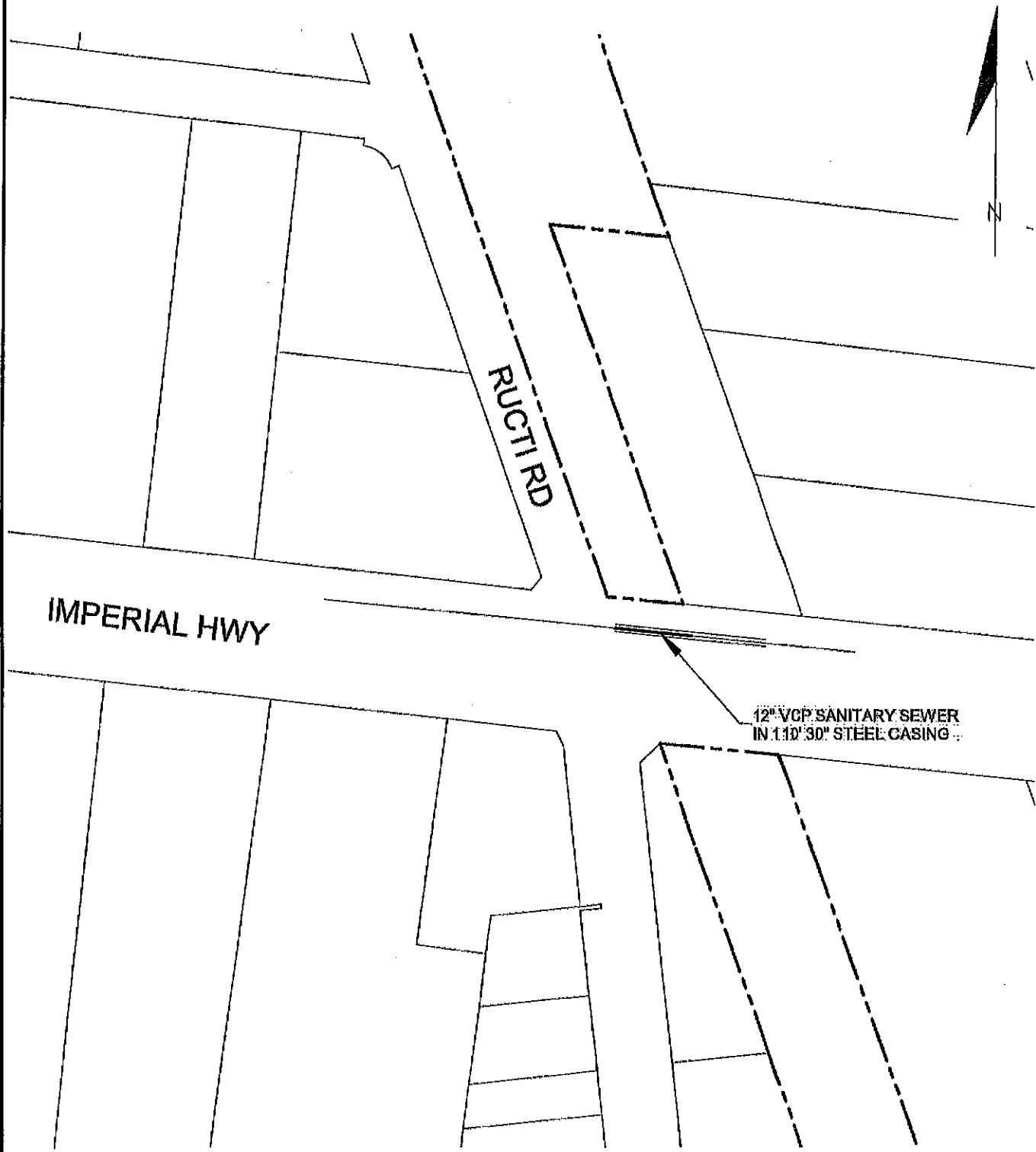
This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

AREA IN JOINT PORTS' ROW: 16 & 33 SQ FT

CAL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. M Garden Grove, CA 92647 714/789-0500				
PORT OF LONG BEACH/PORT OF LOS ANGELES				
PERMITTEE CITY OF SOUTH GATE				
FOR FORMER UPFR SAN PEDRO BR	MP AS SHOWN	FACILITY AS SHOWN		
CITY SOUTH GATE		COUNTY LOS ANGELES		
SCALE AS SHOWN	THOMAS GUIDE 705 P6	REVISION 2	DATE 1/19/17	SHEET NO.

# EXHIBIT B-16



This Exhibit is not a representation or warranty of the extent of, or boundaries of, the Ports' Property.

Ports' ROW Delineated by

CALL PACIFIC LAND SERVICES, INC. 7245 Garden Grove Blvd., Ste. 41 Garden Grove, CA 92647 714/768-8800	<b>PORT OF LONG BEACH/PORT OF LOS ANGELES</b>			
	PERMITTEE <b>CITY OF SOUTH GATE</b>			
	BY FORMER UPRR SAN PEDRO BR	MP AS SHOWN	FACTORY AS SHOWN	
	CITY <b>SOUTH GATE</b>		COUNTY <b>LOS ANGELES</b>	
	SCALE AS SHOWN	THOMAS GUIDE 705 F6	REVISION	DATE 6/11/2021

**EXHIBIT C**

**PERMIT FEE - RENTAL RATES**

---

**Surface:** Rental rate is \$3.20 per square foot per year.

**Subsurface:** Rental rate is \$1.60 per square foot per year.\*

**Aerial:** Rental rate is \$1.60 per square foot per year.\*

\* calculated at 50% of surface rental rate.

**Notes:**

1. All rates are subject to adjustments as defined in Paragraph 3.2, Adjustment, and 3.3, Annual Adjustment, of this Permit.
2. All rental amounts for all crossings are subject to a minimum annual rental amount of \$2,000 per crossing or as shown on Exhibit A hereof.

**EXHIBIT D-1**

**LOS ANGELES  
CALIFORNIA**

**ALAMEDA CORRIDOR  
TRANSPORTATION AUTHORITY**

**LONG BEACH  
CALIFORNIA**

**Alameda Corridor Transportation Authority Right-of-Way Work Permit Protocols**

---

The Alameda Corridor Transportation Authority (ACTA) railroad right-of-way ("Railroad Property") is owned by the Harbor Departments of the Cities of Los Angeles and Long Beach ("Ports"). The Work Permit Protocols set out below are applicable to the Permittee and any of its contractors, agents or other parties entering the right-of-way pursuant to the Permit.

The work contemplated must be permitted either under a Joint Ports issued Revocable Permit or under a permit issued by the railroad which previously sold the right of way to the Ports. The Ports must review and approve the Railroad Work Plan described below prior to commencement of work.

**1.0 Conditions for Physical Access to the Railroad Property.**

All Permittees, whether under an existing permit or a newly issued Joint Revocable Permit (JRP) must conform to the following conditions for physical access to the Railroad Property.

**1.1 ACTA is responsible for track integrity within the Railroad Property. Permittee is responsible for any damage to the existing track or right-of-way due to any construction, alteration and/or operations. A pre-inspection of the site prior to work is required to verify existing conditions.**

The Permittee or its Contractor shall mark the rails and Railroad Property lines at the centerline of the proposed casing and 10' north and 10' south of the casing centerline. Elevations shall be shot, under the direction of a licensed land surveyor, at the property lines and each rail along each of the three reference lines. A numbering scheme, plan schematic, horizontal coordinates and spreadsheet shall be developed and provided to record elevations on each day that elevations are checked, as noted below.

Threshold limits within the ACTA right-of-way are 0.25" of movement of rail (horizontal or vertical). If it is determined that settlement or movement exceeds these threshold limits, the Contractor and ACTA flagger on-site shall be immediately notified. The Contractor shall suspend all operations until site conditions are reassessed and remediation is coordinated with Permittee or its Contractor and ACTA.

Monitoring of settlement shall be performed at minimum intervals as follows:  
a) once before construction, b) daily during the passage of boring/jacking/drilling activities under the RR tracks, c) the day thereafter, d) 14 days thereafter, and e) 30 days after the completion of boring/jacking/drilling activities under the railroad tracks.

**EXHIBIT D-1**

- 1 Reports of the lateral and elevation readings shall be submitted to ACTA and  
2 Cal Pacific after the completion of construction, after the survey reading on  
3 the 14th day, and after the survey reading on the 30th day.  
4
- 5 1.2 A Railroad Work Plan shall be submitted to the Ports and ACTA at least 14  
6 days prior to any work for approval of any access to the Railroad Property. A  
7 copy of the required Work Plan is included as Attachment 2.
- 8 1.3 The Permittee or their Contractor must make arrangements for access with  
9 ACTA's Manager of Corridor Rail Facilities (see Attachment 1). Failure to do  
10 so or failure to abide by his/her requirements and instructions will be cause for  
11 termination of the JRP/license and will result in personnel being removed  
12 from the right-of-way.
- 13 1.4 At the Ports' or ACTA's discretion, a full time qualified inspector employed  
14 by the Ports, Ports' Property Manager or ACTA and paid by the entity  
15 requiring access for any work or access to the Ports owned Railroad Property  
16 may be required.
- 17 1.5 Daily written email or faxed reports of work within the Railroad Property shall  
18 be required. These reports will include all activity within the railroad right-of-  
19 way (including work force, equipment, date/time, and actual work performed)  
20 and a description of any injuries, accidents, or unusual circumstances which  
21 occur. The Ports' Property Manager shall distribute the daily reports to ACTA  
22 and Ports.
- 23 1.6 Any work within 25 feet measured perpendicular from centerline of the  
24 nearest track (including the length of crane boom) within the railroad right-of-  
25 way shall require a Flagperson. This includes above and below ground work.  
26 The Flagperson shall be provided by ACTA and paid for by the entity doing  
27 work or requiring access to the Railroad Property. The request for a  
28 Flagperson shall require no less than a 14-day advance written notice to  
29 ACTA from the entity doing work or requiring access. ACTA will provide a  
30 Flagperson at their own discretion. The ACTA contact for a Flagperson on the  
31 ACTA railroad right-of-way shall be the Construction and Maintenance  
32 Manager (see Attachment 1).
- 33 1.7 Daily contact shall be required between ACTA and the entity doing work or  
34 access to the Railroad Property. The ACTA contact is the Construction and  
35 Maintenance Manager.  
36
- 37 1.8 All excavations shall be continuously shored. Temporary shoring shall be  
38 designed for a minimum of E80 loading using AREMA standards and the  
39 method of shoring shall be approved by ACTA's Engineer or subcontractor at  
40 Permittee's expense. The shoring plans shall be included in the Railroad  
41 Work Plan submitted by the permittee or their sub-contractor.

**EXHIBIT D-1**

1 1.9 All work shall be performed during daylight hours, Monday through Friday,  
2 unless approved otherwise in writing by the Ports and ACTA. Work shall  
3 progress in a manner so that all work shall be completed in the least possible  
4 time.

5 1.10 Temporary Horizontal Construction Clearances

6 A minimum temporary horizontal construction clearance of 12 feet, measured  
7 perpendicular or normal from the centerline of the nearest track to all physical  
8 obstructions including but not limited to formwork, stockpiled materials,  
9 parked equipment, bracing or other construction supports, shall be provided.  
10 Temporary horizontal construction clearance shall provide space for drainage  
11 ditches parallel to the standard roadbed section or provide an alternative  
12 system that maintains positive drainage. Greater clearances may be required  
13 for special cases to satisfy local operating conditions such as required sight  
14 distance for signals. All access roads along the right-of-way shall remain  
15 unobstructed at all times so that maintenance and emergency vehicles may  
16 pass unrestricted through work areas. The work and storage areas shall be  
17 kept free of tripping hazards at all times. All excavated materials shall be  
18 stockpiled in an area approved in writing by the Ports and ACTA. The  
19 temporary horizontal clearances are subject to local operating requirements  
20 and ACTA approval. All walkway shall be maintained be in compliance with  
21 California Public Utilities Commission regulations at all times.

22 1.11 Temporary Vertical Clearances

23 A minimum temporary vertical construction clearance of 22 feet 6 inches  
24 measured above top of rail for all tracks shall be provided. The temporary  
25 vertical clearance shall not be violated due to deflection of formwork. Greater  
26 temporary vertical clearances may be required. The temporary vertical  
27 clearances are subject to local operating requirements and ACTA approval.

28 1.12 All personnel of the Permittee and or its Contractors and/or subcontractors  
29 shall possess a valid railroad Roadway Worker Card if work is to be  
30 performed within 25 feet of the nearest track and shall abide by all safety rules  
31 and instructions from the Flagperson and the Ports and/or ACTA Engineers.  
32 Public safety and safeguarding the tracks and the trains that operate on those  
33 tracks are paramount. Work over or near the tracks will require one or more  
34 of the following personnel at the Ports and/or ACTA's sole discretion and at  
35 the Permittee's cost.

36 1.12.1 Flagperson, Signal Maintainer, Inspector, and/or Engineer:  
37 Requires a 14-day advance written notice and will be  
38 provided at the current ACTA rate to be provided at time of  
39 service.

**EXHIBIT D-1**

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6
- 1.12.2 ACTA Approval: Before entering upon or performing work of any kind on the permit area, Permittee shall obtain the written approval of ACTA for the permit area. Permittee shall comply with all permit, notification, protective, and safety requirements imposed by ACTA, and Permittee shall pay all associated costs.
- 7  
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12
- 1.13 The Permittee or Permittee's representative will keep a copy of the Ports' fully executed agreement, exhibits and all attachments including a complete Railroad Work Plan at the job site at all times during construction on the Railroad Property. Failure to provide the necessary information or documents at the job-site will result in the removal of the Permittee, their employees and equipment from the Railroad Property.
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- 1.14 A final job walkthrough shall be provided within 14 days upon written notification to the Ports and ACTA of completion of the work. ACTA and Permittee shall prepare a list of the items remaining to be completed. The Permittee shall promptly remedy the defective and/or uncompleted portions of the work to ACTA's satisfaction. The ACTA contact is the Manager of Corridor Rail Facilities. Written confirmation shall be provided to the Ports and ACTA that all items of the final job walkthrough have been completed to the satisfaction of ACTA. Failure to promptly complete the final job walkthrough list of items remaining to be completed shall result in the work being completed by ACTA and Permittee shall pay all associated costs.
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27
- 1.15 Permittee shall provide "As-built" drawings to ACTA with copies to the Ports and the Ports' Property Manager within thirty (30) days upon completion of the work, and will update them to reflect any future changes and supply copies to the Ports. The ACTA contact for the "As-builts" is the Project Coordinator (see Attachment 1).
- 28  
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- 1.16 All excavation/jacking/boring operations shall be observed for the presence of petroleum products, chemicals, or contaminated soil. Deeply discolored soil or suspected contaminated soil shall be segregated from uncontaminated soil; suspected contaminated soil and related materials shall be sampled and tested for classification in accordance with applicable regulatory requirements and shall be disposed of in accordance with such requirements.
- 34  
35
- 1.17 The construction procedures for jacking/boring under the railroad tracks shall be included in the Railroad Work Plan.
- 36  
37  
38
- 1.18 The Contractor shall install a warning marker over the pipeline at each end of the rail right-of-way as approved by ACTA.



**EXHIBIT D-1**

1 1.19 Design and construction shall comply with Ports' Rail Property Pipeline  
2 Crossing Application conditions and AREMA Part 5, Section 5.1 requirement  
3 for pipes carrying flammable liquids.  
4

5 1.20 The following additional attachments are provided with this Exhibit: Contact  
6 List (Attachment 1) and Railroad Work Plan (Attachment 2). The Contact List  
7 is current as of the effective date of the Permit, however, during the term of  
8 the Permit Permittee shall be obligated to verify the accuracy of Attachment 1  
9 by contacting Ports' Property Manager and requesting verification.

10 Written Notices to the Agencies may be made to the following Entities:

11 Port of Long Beach  
12 415 W. Ocean Blvd.  
13 Long Beach, CA 90802  
14 Attention: Director of Real Estate  
15 Fax No. 562-283-7761  
16

17 Port of Los Angeles  
18 425 South Palos Verdes Street  
19 San Pedro, CA 90731  
20 Attention: Director of Cargo/Industrial Real Estate  
21 Fax No. 310-547-1725  
22

23 Alameda Corridor Transportation Authority  
24 3760 Kilroy Airport Way, Suite 200  
25 Long Beach, CA 90806  
26 Attn: Chief Executive Officer  
27 Fax No. 562 247-7090  
28

29 Cal Pacific Land Services, Inc. (Ports' Property Manager)  
30 7245 Garden Grove Blvd., Ste. M  
31 Garden Grove, CA 92841  
32 Attn: Ports' Property Manager  
33 Fax No. 714-799-0500  
34

35 Or such other property management firm as may be designated by the Ports  
36 from time to time.

37 These protocols are approved as of September 18, 2015.

**EXHIBIT D-1  
(Attachment 1)**

LOS ANGELES  
CALIFORNIA

ALAMEDA CORRIDOR  
TRANSPORTATION AUTHORITY

LONG BEACH  
CALIFORNIA

**Alameda Corridor Track Contact List – July, 2020**

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**1. Alameda Corridor Transportation Authority:**

- Chief Executive Officer: Michael Leue (562) 247- 7080, cell (562) 253-2089, mleue@acta.org
- Project Coordinator: Jorge Pantoja (562/247-7074), cell (562/335-8528), pantoja@trenchteam.com
- Construction and Maintenance Manager: Manny Hernandez (562/247-7073), cell (323/855-8068), hernandez@trenchteam.com
- Environmental Manager: Elaine Silvestro (562/247-7087), cell (310/650-3359), silvestro@trenchteam.com

**2. Badger Bridge**

- For Alameda Corridor Emergency, also call: (310/830-0660)

**3. Railworks Track Services**

- For Alameda Corridor Emergency, also call: Rick McIntosh (646) 584-2619
- Railworks Area Operations Manager: Rick McIntosh (646)584-2619
- Railroad Crossing/Signals: Mike Mejia (310) 961-1122

**4. Port of Long Beach**

- Real Estate: Debra Shepack (562/283-7459) debra.shepack@polb.com
- Real Estate: Mari Takahashi (562/283-7458) mari.takahashi@polb.com
- Rail Operations: Carlo Luzzi (562/283-7278) carlo.luzzi@polb.com

**5. Port of Los Angeles**

- Real Estate: Regner Globus, (310/732-3291) rglobus@portla.org
- Engineering: Dave Walsh (310/732-3639) dwalsh@portla.org
- Rail Operations: Guillermo Martinez (310/732-3090) gmartinez@portla.org

**6. Cal Pacific Land Services, Inc.**

- Chuck Wadell: 714/799-0900 (714/679-9091 cell) cwadell@caipacloud.com

**This Contact List may change from time to time. Permittee shall be at all times responsible for contacting Cal Pacific, the Ports' Property Manager, for the most current list.**

**EXHIBIT D-1  
(Attachment 2)**

LOS ANGELES  
CALIFORNIA

ALAMEDA CORRIDOR  
TRANSPORTATION AUTHORITY

LONG BEACH  
CALIFORNIA

**Alameda Corridor Railroad Work Plan – Date:** \_\_\_\_\_

**REQUIREMENTS WHEN WORKING WITHIN, ADJACENT TO, ABOVE, OR  
BENEATH RAILROAD RIGHT-OF-WAY**

**START DATE:** \_\_\_\_\_

**DURATION (Start & End Date):** Start on \_\_\_\_\_ and End on \_\_\_\_\_

**TRACK LOCATION:** Track number \_\_\_\_\_ Track located  
\_\_\_\_\_ (See attached plan.)

**START & STOP TIMES:** Begin each day at \_\_\_\_\_ and end at \_\_\_\_\_

**DESCRIPTION OF WORK:** The work includes  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (See attached plan.)

**WORK CREW:** The work will be performed by \_\_\_\_\_. The equipment used  
will be \_\_\_\_\_.

**PURCHASE ORDER NUMBER (Attach Approved Joint Revocable Permit)** \_\_\_\_\_

**SAFETY PROTECTION:**

The Railroad Work Plan is submitted fourteen (14) days in advance of any work within twenty five (25) feet of track centerline. ACTA will confirm if a Flagperson or watchman is required.

If a Flagperson is required or if equipment is within twenty five (25) feet from the nearest track measured perpendicular to the centerline, then flagging will be provided by ACTA. When a Flagperson is required, a new work plan request will be submitted to ACTA a minimum of fourteen (14) working days prior to any work being performed. The Railroad track closure will be at the full discretion of ACTA and the railroads which operate on ACTA tracks. The ACTA primary contact is the Environmental Manager (562/247-7087, cell (310/650-3359). The ACTA secondary contact is the Project Coordinator (562/247-7074, cell (562/335-8528).

If an Inspector is required by ACTA or the Ports, the charges relating to such Inspector will be paid for by the Permittee or Permittee's Contractor. Inspection will be arranged by ACTA.

**EXHIBIT D-1**  
**(Attachment 2)**

- 1 **Note:** The Contractor shall submit the Railroad Work Plan to Cal Pacific Land Services, Inc., the
- 2 Ports' Property Manager (714/799-0900). All related permits shall be obtained prior to
- 3 submitting the Railroad Work Plan.

## EXHIBIT D-2

LOS ANGELES  
CALIFORNIA

PACIFIC HARBOR  
LINE, INC.

LONG BEACH  
CALIFORNIA

### Pacific Harbor Line, Inc. Railroad Right-of-Way Work Permit Protocols

The Pacific Harbor Line, Inc. (PHL) operated railroad right-of-way ("Railroad Property") is owned by the Harbor Departments of the Cities of Los Angeles and Long Beach (Ports). The Work Permit Protocols set out below are applicable to the Permittee and any of its contractors, agents or other parties entering the Railroad Property pursuant to the Permit.

The Ports shall review and issue the revocable permit and Railroad Work Plan (RRWP).

#### 1.0 Conditions for Physical Access to the Railroad Property:

All Permittees, whether under an existing license or Permit or a newly issued Permit must conform to the following conditions for physical access to the Railroad Property.

- 1.1 PHL is responsible for track integrity within the Railroad Property. Permittee is responsible for any damage to the existing track or right-of-way due to any construction, alteration and/or operations. A pre-inspection of the site prior to work is required to verify existing conditions. The Permittee and/or Contractor acknowledge that trains and/or locomotives may be expected at any time and on any track. The Contractor shall report any accidents, injuries, track defects within the Railroad Property to PHL and the Ports by the first available means of communication.
- 1.2 A Railroad Work Plan (RRWP) shall be submitted to the Ports' Real Estate and Engineering Divisions at least 14 days prior to any work taking place in order to receive approval for access to the Railroad Property. A sample Work Plan is included with this Exhibit as Attachment 2.
- 1.3 Upon approval of the RRWP the Permittee or their Contractor shall make arrangements for access with PHL's Roadmaster (see Attachment 1 Contact List). Failure to do so or failure to abide by his/her requirements and instructions will be cause for termination of the Permit/license and will result in personnel being removed from the Railroad Property.
- 1.4 A full time qualified inspector employed by the Ports or the Ports' Property Manager and paid by the entity requiring access for any work or access to the Railroad Property shall be required.
- 1.5 Daily written email or faxed reports of work within the Railroad Property shall be required. These reports will include all activity within the railroad right-of-way

## EXHIBIT D-2

(including work force, equipment, date/time, and actual work performed) and a description of any injuries, accidents, or unusual circumstances which occur. The Ports' Property Manager shall distribute the daily reports to PHL and the Ports.

- 1.6 For any work or equipment within, or the potential to be within, ten (10) feet measured from the track centerline shall require a PHL Railroad Flagger paid by the Permittee or Contractor to PHL. This includes above and below ground work. The Flagperson shall be provided by PHL and paid for by the entity doing work or requiring access to the Railroad Property. The PHL contact for any Flagperson on the PHL operated right-of-way shall be the Roadmaster (see Attachment 1 Contact List).
- 1.7 Daily contact shall be required between PHL and the entity doing work or accessing the Railroad Property. The PHL contact is the Roadmaster.
- 1.8 All excavations shall be continuously shored. Shoring shall be designed for a minimum of E80 loading using AREMA standards, and the method of shoring shall be approved by Ports' Engineering Staff or subcontractor at Permittee's expense. The shoring plans shall be included in the RRWP by the permittee or their sub-contractor.
- 1.9 All work shall be performed during daylight hours, Monday through Friday, unless approved otherwise in writing by the Ports and PHL. Work shall progress in a manner so that it shall be completed in the least possible time.
- 1.10 No material or equipment shall be stored, stacked or parked within 10 feet of any track centerline (or the nearest rail). The work and storage areas shall be kept free of tripping hazards at all times. All excavated material shall be stockpiled in an area approved in writing by the Ports and PHL.
- 1.11 A minimum temporary vertical construction clearance of 22 feet 6 inches measured above top of rail for all tracks shall be provided. The temporary vertical clearance shall not be violated due to deflection of formwork. Greater temporary vertical clearances may be required. The temporary vertical clearances are subject to local operating requirements and PHL approval.
- 1.12 The Permittee and/or its Contractors shall abide by all safety rules and instructions from the PHL Flagperson and the Ports' Engineers. Public safety and safeguarding the tracks and the trains that operate on those tracks are paramount. Work over or near the tracks will require one or more of the following personnel at the Ports and/or PHL's sole discretion and at the Permittee's cost (Flagperson, Signal Maintainer, Inspector and/or Engineer).
- 1.13 The Permittee or Permittee's representative will keep a copy of the Ports' fully executed agreement, Permit(s), exhibits and all attachments including a complete Railroad Work Plan at the job site at all times during construction on the Railroad

## EXHIBIT D-2

Property. Failure to provide the necessary information or documents at the job-site will result in the removal of the Permittee, its employees, contractors, and equipment from the Railroad Property.

- 1.14 The Permittee or its Contractor shall mark the rails and RR property lines at the centerline of the proposed casing and 10' north and 10' south of the casing centerline. Elevations shall be shot, under the direction of a licensed land surveyor, at the property lines and each rail along each of the three reference lines. A numbering scheme, plan schematic, horizontal coordinates and spreadsheet shall be developed and provided to record elevations on each day that elevations are checked as noted below.

Threshold limits within the Ports' right-of-way are 0.25" of movement of rail (horizontal or vertical). If it is determined that settlement or movement exceeds these threshold limits, the Contractor and PHL flagger on-site shall be immediately notified. The Contractor shall suspend all operations until site conditions are reassessed and remediation is coordinated by Permittee or its Contractor with Ports' Property Manager and PHL.

Monitoring of settlement shall be performed at minimum intervals as follows: a) once before construction, b) daily during the passage of boring/jacking activities under the RR tracks, c) the day thereafter, d) 14 days thereafter, and e) 30 days after the completion of boring/jacking activities under the RR tracks.

Reports of the lateral and elevation readings shall be submitted to the Ports' Property Manager, currently Cal Pacific Land Services, Inc., after the completion of construction, after the survey reading on the 14th day, and after the survey reading on the 30th day.

- 1.15 A final job walkthrough shall be provided 14 calendar days after the completion of the work. The final job walkthrough shall be confirmed in writing upon completion. The PHL contact is the Roadmaster. Written confirmation shall be provided to the Ports and PHL.
- 1.16 Permittee shall provide "As-built" drawings to the Ports within thirty (30) days after completion of the work; and will update them to reflect any future changes and supply copies to the Ports.
- 1.17 The following attachments are provided with this Exhibit: Contact List (Attachment 1) and Railroad Work Plan (Attachment 2). The Contact List is current as of the effective date of the Permit, however, during the term of the Permit, Permittee shall be obligated to verify the accuracy of Attachment 1 by contacting Ports' Property Manager and requesting verification.

**EXHIBIT D-2**

- 1.18 All excavation/jacking/boring operations shall be observed for the presence of petroleum products, chemicals, or contaminated soil. Deeply discolored soil or suspected contaminated soil shall be segregated from uncontaminated soil; suspected contaminated soil and related materials shall be sampled and tested for classification in accordance with applicable regulatory requirements and shall be disposed of in accordance with such requirements.
- 1.19 Construction procedures for jacking/boring/drilling under the railroad tracks shall be included in the RRWP.
- 1.20 The Contractor shall install a warning marker over the pipeline at each end of the Ports' right-of-way.
- 1.21 Design and construction shall comply with Ports' Rail Property Pipeline Crossing standards and AREMA Part 5, Section 5.1 requirement for pipes carrying flammable liquids.

Written notices to the Agencies may be made to the following entities:

Port of Long Beach  
415 W. Ocean Blvd.  
Long Beach, CA 90802  
Attention: Director of Real Estate  
Fax No. 562-283-7761

Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731  
Attention: Director of Cargo/Industrial Real Estate  
Fax No.: 310-547-1725

Chief Engineer  
Pacific Harbor Line, Inc.  
705 N. Henry Ford Avenue  
Wilmington, CA 90744  
Fax No.: 310-513-6789

Cal Pacific Land Services, Inc. ("Ports' Property Manager")  
7245 Garden Grove Blvd., Ste. M  
Garden Grove, CA 92841  
Attn: Ports' Property Manager  
Fax No.: 714-799-0500



**EXHIBIT D-2**

Or such other property management firm as may be designated by the Ports from time to time.

These protocols are approved as of September 18, 2015.

**EXHIBIT D-2  
(Attachment 1)**

**LOS ANGELES  
CALIFORNIA**

**PACIFIC HARBOR  
LINE, INC.**

**LONG BEACH  
CALIFORNIA**

**Pacific Harbor Line Track Contact List**

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**1. Pacific Harbor Line, Inc:**

- Chief Engineer: Monte Stokes, (310/984-5780), mstokes@anacostia.com
- Roadmaster: Jose Rodriguez (310-984-5778), jrodriguez@anacostia.com

**2. Badger Bridge**

- For PHL Emergency, also call: 310/830-0660

**3. Highball Signal**

- For PHL Emergency, also call: 310/961-1122

**4. Port of Long Beach**

- Real Estate: Mari Takahashi (562/283-7458), mari.takahashi@polb.com
- Real Estate: Debbie Shepack (562/283-7459), debra.shepack@polb.com
- Rail Operations: Carlo Luzzi (562/283-7278), carlo.luzzi@polb.com

**5. Port of Los Angeles**

- Real Estate: Regner Globus, (310/732-3291) rglobus@portla.org
- Engineering: Dave Walsh (310/732-3639) dwalsh@portla.org
- Rail Operations: Guillermo Martinez (310/732-3090) gmartinez@portla.org

**6. Cal Pacific Land Services, Inc.**

- Charles Wadell (714/799-0900 or 714/679-9091 cell) cwadell@calpacland.com

**This Contact List shall change from time to time. Permittee shall be at all times responsible for contacting Cal Pacific Land Services, Inc. for the most current list.**

**EXHIBIT D-2  
(Attachment 2)**

LOS ANGELES  
CALIFORNIA

PACIFIC HARBOR  
LINE, INC.

LONG BEACH  
CALIFORNIA

**Pacific Harbor Line, Inc. Railroad Work Plan – Date:** \_\_\_\_\_

**REQUIREMENTS WHEN WORKING WITHIN, ADJACENT TO, ABOVE, OR  
BENEATH RAILROAD RIGHT-OF-WAY**

**START DATE:** \_\_\_\_\_

**DURATION (Start & End Date):** Start on \_\_\_\_\_ and End on \_\_\_\_\_

**TRACK LOCATION:** Track number \_\_\_\_\_ Track located  
\_\_\_\_\_ (See attached plan.)

**START & STOP TIMES:** Begin each day at \_\_\_\_\_ and end at \_\_\_\_\_

**DESCRIPTION OF WORK:** The work includes

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (See attached plan.)

**WORK CREW:** The work will be performed by \_\_\_\_\_. The equipment used  
will be \_\_\_\_\_.

**PURCHASE ORDER NUMBER (Attach Approved Joint Revocable Permit) :** \_\_\_\_\_

**SAFETY PROTECTION:**

The Railroad Work Plan (RRWP) is submitted to the Ports' Property Manager within a minimum of fourteen (14) calendar days in advance of any work within twenty five (25) feet of track centerline. This fourteen (14) calendar day notice starts upon receipt and confirmation of the Work Plan by the Ports' Property Manager. The Ports and PHL will confirm if a Flagperson is required.

If a Flagperson is required, or if equipment is within or has the potential to be within, ten (10) feet from the track centerline or has the potential to foul the track, then flagging will be provided by PHL only and paid by the Permittee or Permittee's Contractor. The PHL primary contact is the Roadmaster (310/984-5778). The PHL secondary contact is the Chief Engineer (310/984-5780).

If an Inspector is required by the Ports, the charges relating to such Inspector will be paid for by the Permittee or Permittee's Contractor. Inspection will be arranged by the Ports' Property Manager.

**Note:** The Contractor shall submit the Work Plan to Cal Pacific Land Services, Inc., the Ports' Property Manager (714/799-0900) The Ports' Property Manager will submit the Railroad Work Plan to the respective Ports' Engineering Departments for review and approval. All related permits shall be obtained prior to submitting the Work Plan.

EXHIBIT D-3

LOS ANGELES  
CALIFORNIA

UNION PACIFIC  
RAILROAD COMPANY

LONG BEACH  
CALIFORNIA

UPRR San Pedro Branch Railroad Right-of-Way Work Permit Protocols

The former Union Pacific Railroad Company (UPRR) San Pedro Branch railroad right-of-way ("Railroad Property") is owned by the Harbor Departments of the Cities of Los Angeles and Long Beach (Ports). It is operated pursuant to agreements dated December 22, 1994 between the Ports and the UPRR. The Work Permit Protocols set out below are applicable to the Permittee and any of its contractors, agents or other parties entering the right-of-way pursuant to the Permit.

1.0 Conditions for Physical Access to the Railroad Property:

All Permittees, whether under an existing permit or a newly issued MJRP must conform to the following conditions for physical access to the Railroad Property.

1.1 The UPRR is responsible for track integrity within the railroad right-of-way. Permittee is responsible for any damage to the existing track or right-of-way due to any construction, alteration and/or operations. A pre-inspection of the site prior to work is required to verify existing conditions. The Permittee and/or Contractor acknowledge that trains and/or locomotives may be expected at any time and on any track. The Contractor shall report any accidents, injuries, track defects within the railroad right-of-way to the UPRR and the Ports by the first available means of communication.

1.2 A Railroad Work Plan (RRWP) shall be submitted a minimum of 14 days prior to any work to the Ports and UPRR for approval of any access to the railroad right-of-way. A copy of the required Work Plan is included as Attachment 2.

1.3 Upon approval of the RRWP, the Permittee or their Contractor must make arrangements for access with the UPRR's Manager of Track Maintenance (see Attachment 1, Contact List). Failure to do so or failure to abide by his/her requirements and instructions will be cause for termination of the MJRP/license and will result in personnel being removed from the right-of-way.

1.4 At the Ports or UPRR's discretion, a full time qualified inspector, employed by the Ports, Ports' Property Manager or UPRR and paid by the entity requiring access for any work or access to the Ports owned Railroad Property may be required. The inspector will provide for railroad safety.

### EXHIBIT D-3

1 1.5 Daily written email or faxed reports of work within the Ports' Railroad  
2 Property may be required. These reports will include all activity within the  
3 railroad right-of-way (including work force, equipment, date/time, and actual  
4 work performed) and a description of any injuries, accidents, or unusual  
5 circumstances, which occurs. Ports' Property Manager to distribute the daily  
6 reports to UPRR and Ports.

7 1.6 Any work within 25 feet measured at track centerline (including the length of  
8 crane boom) within the railroad right-of-way shall require a Flagperson. This  
9 includes above and below ground work. The Flagperson shall be provided by  
10 UPRR and paid for by the entity doing work or requiring access to the Ports'  
11 Railroad Property. The request for a Flagperson shall require no less than a 14  
12 day advance notice to UPRR from the entity doing work or requiring access.  
13 UPRR will provide a Flagperson at their own discretion. The UPRR contact  
14 for any Flagperson on the San Pedro Branch shall be the Manager of Track  
15 Maintenance (Attachment 1, Contact List).

16 1.7 Daily contact shall be required between UPRR and the entity doing work or  
17 access to the Railroad Property. The UPRR contact is the Manager of Track  
18 Maintenance.

19 1.8 All excavations shall be continuously shored. Shoring shall be designed for a  
20 minimum of E80 loading using AREMA standards and the method of shoring  
21 shall be approved by UPRR engineering or subcontractor at Permittee's  
22 expense. Prior to the start of work, the approved plans shall be sent to the  
23 Ports and UPRR. The full length of all excavations on the railroad right-of-  
24 way shall have trench plate covering when unattended.  
25

26 1.9 All work shall be performed during daylight hours, Monday through Friday,  
27 unless approved otherwise in writing by the Ports and UPRR. Work shall  
28 progress in a manner that all work shall be completed in the least possible  
29 time.

30 1.10 Temporary Horizontal Construction Clearances:

31 A minimum temporary horizontal construction clearance of 12 feet, measured  
32 perpendicular or normal from the centerline of the nearest track to all physical  
33 obstructions including but not limited to formwork, stockpiled materials,  
34 parked equipment, bracing or other construction supports, shall be provided.  
35 Temporary horizontal construction clearance shall provide space for drainage  
36 ditches parallel to the standard roadbed section or provide an alternative  
37 system that maintains positive drainage. Greater clearances may be required  
38 for special cases to satisfy local operating conditions such as required sight  
39 distance for signals. All access roads along the right-of-way shall remain  
40 unobstructed at all times so that maintenance and emergency vehicles may

### EXHIBIT D-3

1 pass unrestricted through work areas. The work and storage areas shall be  
2 kept free of tripping hazards at all times. All excavated materials shall be  
3 stockpiled in an area approved by the Ports and the UPRR. The temporary  
4 horizontal clearances are subject to local operating requirements and UPRR  
5 approval. All walkways shall be maintained to be in compliance with  
6 California Public Utilities Commission regulations at all times.

7 1.11 Temporary Vertical Clearances:

8 A minimum temporary vertical construction clearance of 22 feet 6 inches  
9 measured above top of high rail for all tracks shall be provided. The  
10 temporary vertical clearance shall not be violated due to deflection of  
11 formwork. Greater temporary vertical clearances may be required. The  
12 temporary vertical clearances are subject to local operating requirements and  
13 UPRR approval.

14 1.12 All personnel of the Permittee and or its Contractors and/or subcontractors  
15 shall possess a valid railroad Roadway Worker Card if work is to be  
16 performed within 25 feet of the nearest tracks and shall abide by all safety  
17 rules and instructions from the Flagperson and the Ports and/or UPRR  
18 Engineers. Public safety and safeguarding the tracks and the trains that operate  
19 on those tracks are paramount. Work over or near the tracks will require one  
20 or more of the following personnel at the Ports and/or UPRR's sole discretion  
21 and at the Permittee's cost.

22 1.12.1 Flagperson, Signal Maintainer, Inspector, and/or Engineer:  
23 Requires 14-day advance notice and will be provided at the current  
24 UPRR rate to be provided at time of service.

25 1.13 Railroad Approval: Before entering upon or performing work of any kind on  
26 the permit area, Permittee shall obtain the written approval of the operator of  
27 the railroad traversing the permit area. Permittee shall comply with all permit,  
28 notification, protective, and safety requirements imposed by the Railroad, and  
29 Permittee shall pay all associated costs.

30 1.14 The Permittee or Permittee's representative will keep a copy of the Ports'  
31 fully executed agreement, exhibits and all attachments including a complete  
32 Railroad Work Plan at the job site at all times during the encroachment on the  
33 Property. Failure to provide the necessary information or documents at the job  
34 site will result in the removal of the Permittee, their employees and equipment  
35 from the Railroad Property.

36 1.15 The Permittee or its Contractor shall mark the rails and RR property lines at  
37 the centerline of any proposed bore and 10' north and 10' south of the bore  
38 centerline. Elevations shall be shot, under the direction of a licensed land

**EXHIBIT D-3**

1 surveyor, at the property lines and each rail along each of the three reference  
2 lines. A numbering scheme, plan schematic, horizontal coordinates and  
3 spreadsheet shall be developed and provided to record elevations on each day  
4 that elevations are checked as noted below.  
5

6 Threshold limits within the Ports' right-of-way are 0.25" of movement of rail  
7 (horizontal or vertical). If it is determined that settlement or movement  
8 exceeds these threshold limits, the Contractor and UPRR flagger on-site shall  
9 be immediately notified. The Contractor shall suspend all operations until site  
10 conditions are reassessed and remediation is coordinated by Permittee or its  
11 Contractor with Ports' Property Manager and UPRR.  
12

13 Monitoring of settlement shall be performed at minimum intervals as follows:  
14 a) once before construction, b) daily during the passage of boring/jacking  
15 activities under the RR tracks, c) the day thereafter, d) 14 days thereafter, and  
16 e) 30 days after the completion of boring/jacking activities under the RR  
17 tracks.  
18

19 Reports of the lateral and elevation readings shall be submitted to Cal Pacific  
20 after the completion of construction, after the survey reading on the 14th day,  
21 and after the survey reading on the 30th day.

22 1.16 All excavation/jacking/boring operations shall be observed for the presence of  
23 petroleum products, chemicals, or contaminated soil. Deeply discolored soil or  
24 suspected contaminated soil shall be segregated from uncontaminated soil;  
25 suspected contaminated soil and related materials shall be sampled and tested  
26 for classification in accordance with applicable regulatory requirements and  
27 shall be disposed of in accordance with such requirements.

28 1.17 Construction procedures for jacking/boring/drilling under the RR tracks shall  
29 be included in the RRWP.

30 1.18 The Contractor shall install a warning marker over the pipeline at each end of  
31 the Ports' right-of-way.

32 1.19 Design and construction shall comply with Ports Rail Property Pipeline  
33 Crossing standards and AREMA Part 5, Section 5.1 requirement for pipes  
34 carrying flammable liquids.

35 1.20 A final job walkthrough shall be provided within 14 days upon written  
36 notification to the Ports and UPRR of completion of the work. UPRR and  
37 Permittee shall prepare a list of the items remaining to be completed. The  
38 Permittee shall promptly remedy the defective and/or uncompleted portions of  
39 the work to UPRR's satisfaction. The UPRR contact is the Manager of Track  
40 Maintenance. Written confirmation shall be provided to the Ports and UPRR

**EXHIBIT D-3**

1 that all items of the final job walkthrough have been completed to the  
2 satisfaction of UPRR. Failure to promptly complete the final job walkthrough  
3 list of items remaining to be completed shall result in the work being  
4 completed by UPRR and Permittee shall pay all associated costs.

5 1.21 Permittee shall provide "As-built" drawings within 30 days upon completion  
6 of the work to UPRR and Cal Pacific Land Services, Inc., the Ports' Property  
7 Manager. The UPRR contact for the "As-builts" is Projects  
8 Review/Engineering and Manager of Special Projects (see Attachment 1).  
9 Permittee shall keep "As-builts" current with copies made available to UPRR  
10 and the Ports.

11 1.22 See the following additional attachments: Contact List (Attachment 1) and  
12 Railroad Work Plan (Attachment 2). While the Ports make every effort to  
13 update and keep the Contact List current (Attachment 1), Permittee shall  
14 verify the accuracy of Attachment 1 by contacting the Ports' Property  
15 Manager and requesting verification.

16 1.23 Notices to Member Agency Contacts in Writing:

17 Port of Long Beach  
18 415 W. Ocean Blvd.  
19 Long Beach, CA 90802  
20 Attention: Director of Real Estate  
21 Fax No. 562-283-7761

22  
23 Port of Los Angeles  
24 425 South Palos Verdes Street  
25 San Pedro, California 90731  
26 Attention: Director of Cargo/Industrial Real Estate  
27 Fax No.: 310-547-1725

28  
29 General Superintendent of Transportation Services  
30 Union Pacific Railroad Company  
31 19100 Slover Avenue  
32 Bloomington, California 92316  
33 Fax No.: 402-997-3809

34  
35 Cal Pacific Land Services, Inc. (Ports' Property Manager)  
36 7245 Garden Grove Blvd., Ste. M  
37 Garden Grove, CA 92841  
38 Attn: Ports' Property Manager  
39 Fax No.: 714-799-0500

40 Or such other Property Management firm as may be designated by the Cities  
41 from time to time. These protocols are approved as of September 18, 2015.



**EXHIBIT D-3  
(Attachment 1)**

LOS ANGELES  
CALIFORNIA

UNION PACIFIC  
RAILROAD COMPANY

LONG BEACH  
CALIFORNIA

**UPRR San Pedro Branch Track Contact List --April, 2018**

---

**1. Union Pacific Railroad:**

- Primary Contact: Manuel Arambulo 909/685-2211 marambul@up.com
- Government Affairs: Lupe Valdez 562/566-4612 lcvaldez@up.com
- UPRR Emergency Hotline 24/7 for Reporting Issues: 888/877-7267
- Tracks/Maintenance: Manuel Arambulo 909/685-2211 marambul@up.com
- Encampments: Terry Morris 916/789-6232 tlmorris@up.com
- Graffiti/Debris/Weeds: Luis Travieso 915/261-5080 ldtravie@up.com
- Vegetation Control: Kristina Stonner 402/544-8007 kjstonne@up.com
- Debris/Flagging (Mgr. Track Maintenance): Luis Travieso 915/261-5080 ldtravie@up.com
- Public Crossing/Public Projects: Peggy Ygbuhay 916/789-5033 pygbuhay@up.com
- Flagging: 3rd Party Contractor: Paul Rojas 909/265-5020 projasjr@up.com
- Bridges: Demian Brunty 402/680-4094 dbrunty@up.com
- Rail Crossing/Signals: Jose Rubio 626/935-7681 jarubio@up.com
- 3rd Party Agreements: Melissa Grosz 402/544-5217 melissagrosz@up.com
- Utilities & Real Estate: Valerie Harrill 402/544-8801 vaharrill@up.com
- Safety/Railroad Police: Lt. Cleo Thurmond, Jr. 951/207-2273 cthurmon@up.com

**2. Port of Long Beach**

- Operations: Carlo Luzzi 562/283-7278 carlo.luzzi@polb.com
- Operations: Tom Becker 562/283-7775 tom.becker@polb.com
- Operations: Matt Lyman 562/283-7779 matthew.lyman@polb.com
- Government Affairs: Bianca Villanueva 562/283-7785 bianca.villanueva@polb.com
- Real Estate: Debra Shepack 562/283-7459 debra.shepack@polb.com

**3. Port of Los Angeles**

- Real Estate: Regner Globus, (310/732-3291) rglobus@portla.org
- Engineering: Dave Walsh (310/732-3639) dwalsh@portla.org
- Rail Operations: Guillermo Martinez (310/732-3090) gmartinez@portla.org

**4. Long Beach Police Department**

- City of Long Beach Police Emergency Phone Dispatch: 562/435-6711
- Cal Pacific Land Services, Inc. (Ports' Property Manager)**
- Chuck Wadell 714/799-0900 (714/679-9091 cell) cwadell@calpacland.com

**This Contact List shall change from time to time. Permittee shall be at all times responsible for contacting Cal Pacific, the Ports' Property Manager for the most current list.**

EXHIBIT D-3  
(Attachment 2)

LOS ANGELES  
CALIFORNIA

UNION PACIFIC  
RAILROAD COMPANY

LONG BEACH  
CALIFORNIA

**San Pedro Branch Railroad Work Plan – Date:** \_\_\_\_\_

**REQUIREMENTS WHEN WORKING WITHIN, ADJACENT TO, ABOVE, OR  
BENEATH RAILROAD RIGHT-OF-WAY**

**START DATE:** \_\_\_\_\_

**DURATION (Start & End Date):** Start on \_\_\_\_\_ and Ending on \_\_\_\_\_

**TRACK LOCATION:** Track number \_\_\_\_\_ Track located  
\_\_\_\_\_ (See attached plan.)

**START & STOP TIMES:** Begin each day at \_\_\_\_\_ and end at \_\_\_\_\_

**DESCRIPTION OF WORK:** The work includes  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (See attached plan.)

**WORK CREW:** The work will be performed by \_\_\_\_\_. The equipment used  
will be \_\_\_\_\_.

**PURCHASE ORDER NUMBER (Attach Approved Joint Revocable Permit) :** \_\_\_\_\_

**SAFETY PROTECTION:**

The work plan is submitted ten (10) days in advance of any work within twenty five (25) feet of track centerline. Prior to start of work, Permittee will request a watch person training session from Union Pacific Railroad Company (UPRR) for all work-crew working within 25 feet of the railroad track for the safety of the Contractor's personnel only. Watch persons are not an approved method of protection for working equipment. Once the watch person training is completed, we will submit an approved list to the Engineer prior to working within 25 feet of the track centerline. UPRR will confirm if a Flagperson is required.

If a Flagperson is required or if equipment is within ten (10) feet from the track centerline, then flagging will be provided by UPRR only. When a Flagperson is required, a new work plan request will be submitted to the Engineer and UPRR a minimum of ten (10) working days prior to any work being performed. If a full track closure/outage is necessary, a minimum notice of ten (10) working days will be provided to the Engineer and UPRR for each track closure. The Railroad track closure will be at the full discretion of the Engineer and UPRR. The UPRR primary contact is Tracks (909/685-2211). The UPRR secondary contact is the Manager of Track Maintenance (909/685-2469).

**EXHIBIT D-3**  
**(Attachment 2)**

1 If an Inspector is required by the Ports, the charges relating to such Inspector will be paid for by  
2 the Permittee or Permittee's Contractor. Inspection will be arranged by Ports' Property Manager.  
3

4 **Note:** The Contractor shall submit the Railroad Work Plan to Cal Pacific, the Ports' Property  
5 Manager (714-799-0900). All related permits shall be obtained prior to submitting the work plan.

## EXHIBIT E

### AFFIRMATIVE ACTION PROGRAM PROVISIONS

#### **Sec. 10.8.4 Affirmative Action Program Provisions.**

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such Contract:

A. During the performance of a City Contract, the Contractor certifies and represents that the Contractor and each Subcontractor hereunder will adhere to an Affirmative Action Program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor shall post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of its records pertaining to employment and to its employment practices by the Awarding Authority or the DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The failure shall only be established upon a finding to that effect by the

## EXHIBIT E

Awarding Authority, on the basis of its own investigation or that of the DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has breached the Affirmative Action Program provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City Contract, there may be deducted from the amount payable to the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.

H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

J. Nothing contained in City Contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration of the Contract. The Awarding Authority may also require Contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees

## EXHIBIT E

in a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

- (a) Recruit and make efforts to obtain employees through:
  - (i) Advertising employment opportunities in minority and other community news media or other publications.
  - (ii) Notifying minority, women and other community organizations of employment opportunities.
  - (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
  - (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
  - (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
  - (vi) Validating all job specifications, selection requirements, tests, etc.
  - (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
  - (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.
- (f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.

## EXHIBIT E

(g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.

(h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:

- (i) What steps were taken, how and on what date.
- (ii) To whom those efforts were directed.
- (iii) The responses received, from whom and when.
- (iv) What other steps were taken or will be taken to comply and when.
- (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; provided, however, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and

## EXHIBIT E

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.



# Exhibit F

## PERMIT SUPPLEMENT TEMPLATE

Permit Supplement No. \_\_\_\_\_ To Master Joint Revocable Permit No. \_\_\_\_\_

The undersigned parties hereby acknowledge and agree that the following shall be assigned MJRP Index # \_\_\_\_\_ or replace MJRP Index # \_\_\_\_\_ in Exhibit A [or A(x)] and Exhibit B [or B(x)] to reflect an addition, deletion or modification to the Permit Areas. Pursuant to the above change and Paragraph 3.1 of the Master Joint Revocable Permit, Exhibit A [or A(x)] is now replaced with the attached Exhibit A [or A(x)] [and Exhibit B [or B(x)] if any], which indicates the most recent Permit Fee. As a result of this supplement, the Permit Fee [remains \$ \_\_\_\_\_] or [is now \$ \_\_\_\_\_] and replaces the latest Permit Fee indicated in Paragraph 3.1 and as shown in the previous Exhibit A [or A(x)].

### "CITIES"

THE CITY OF LONG BEACH, a municipal corporation,  
acting by and through its Board of Harbor Commissioners

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive, Long Beach Harbor Department

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Deputy City Attorney

THE CITY OF LOS ANGELES, a municipal corporation,  
acting by and through its Board of Harbor Commissioners

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Executive Director, Los Angeles Harbor Department

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_, City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Deputy City Attorney

"PERMITTEE"  
CITY OF SOUTH GATE,  
a California municipal corporation

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DRAFT**

JUL 21 2021

8:55 AM

CITY COUNCIL

## AGENDA BILL

For the Special Meeting of: July 27, 2021Originating Department: Public Works

Department Director:

  
 Arturo Cervantes

Interim City Manager:

  
 Chris Jeffers

**SUBJECT: CONTRACT CHANGE ORDER NOS. 3 AND 4 TO CONTRACT NO. 2020-43-CC WITH SEQUEL CONTRACTORS, INC., FOR THE "GARFIELD AVENUE, FROM SOUTH CITY LIMIT TO JEFFERSON AVENUE, AND IMPERIAL HIGHWAY, FROM WEST CITY LIMIT TO EAST CITY LIMIT, CITY PROJECT NO. 413-ST, FEDERAL PROJECT NO. STPL-5257(030), AND FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL HIGHWAY CENTER MEDIAN, CITY PROJECT NO. 496-ST, FEDERAL PROJECT NO. HSIPL-5257(032)"**

**PURPOSE:** Contract No. 2020-43-CC consolidated two CIP projects that encompass street improvements on Garfield Avenue, Imperial Highway, Firestone Boulevard and Otis Street (Consolidated Project). The project is under construction, and nearing completion. Additional improvements are needed to complete construction. Contract Change Order Nos. 3 and 4 provides for the needed improvements, in an amount of \$220,559.

**RECOMMENDED ACTIONS:** The City Council will consider:

- a. Approving Contract Change Order No. 3 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements on the "Garfield Avenue, From South City Limit to Jefferson Avenue, and Imperial Highway, From West City Limit to East City Limit, City Project No. 413-ST, Federal Project No. STPL-5257(030)," in an amount not-to-exceed \$139,120;
- b. Approving Contract Change Order No. 4 to Contract No. 2020-43-CC with Sequel Contractors, Inc., to add improvements on the "Firestone Boulevard and Otis Street Improvements and Imperial Highway Center Median, City Project No. 496-ST, Federal Project No. HSIPL-5257(032)," in an amount not-to-exceed \$81,439;
- c. Authorizing the Assistant City Manager/Director of Public Works to execute Contract Change Order Nos. 3 and 4 to Contract No. 2020-43-CC; and
- d. Authorizing the Interim Director of Administrative Services to transfer \$140,000 in Metro Measure R Funds from Account No. 311-790-31-9457 (Capital Projects Fund-Firestone/Otis Widening & Imperial Hwy Median) to Account No. 311-790-31-9433 (Capital Projects Fund-Garfield/ Imperial Street Improvements) to partially fund CCO No. 3 to Contract No. 2020-43-CC.

**FISCAL IMPACT:** There is no fiscal impact to the General Fund. CCO No. 3 is in the amount of \$139,120, and it will be funded with \$43,120 in Proposition C Funds and \$96,000 in Metropolitan Transportation Authority (Metro) Measure R Funds. CCO No. 4 is in the amount of \$81,439 and it will be funded with Metro Measure R Funds. The revised construction contract amount, including CCO Nos. 1 through 4, is \$7,007,741. The amount of the budget transfer is \$140,000 in Measure R funds from Account No. 311-790-31-9457 to Account No. 311-790-31-9433. The Consolidated Project is funded with \$10,088,997, as summarized in Attachment "E."

**ALIGNMENT WITH COUNCIL GOALS:** Proposed Change Order Nos. 3 and 4 meet the City Council's goal for "Continuing Infrastructure Improvements."

**ANALYSIS:** The Consolidated Project is under construction under construction Contract No. 2020-43-CC. Changes to the construction contract are necessary to add improvements to the Consolidated Project. The improvements are necessary to address design and field issues. CCO Nos. 3 and 4 provide for the needed changes, as described below.

- CCO No. 3 (\$139,120) – CCO No. 3 adds improvements that include (a) installing water service with the City of Paramount for the new median under construction Garfield Avenue at a cost of \$4,645; (b) modifying the new median to provide for left-turn movements onto Cortland Street from Garfield Avenue at a cost of \$49,289; (c) replacing the existing metal tree grates with rubberized tree grates to accommodate the new up-lighting at a cost of \$39,091; (d) upgrading safety lighting and service cabinets with a Tesco brand name to be consistent with the City's standards at a cost of \$6,095, and (e) \$40,000 to remove unforeseen existing fabric in the street pavement in order to recycle existing pavement material for the new street pavement. Recycle existing pavement material without fabric would improve the integrity of the new pavement section.
- CCO No. 4 (\$81,439): CCO No. 4 includes (a) \$16,105 to reconstruct a walkway and upgrade damaged underground conduit for the marquee sign on South Gate Middle School, (b) \$5,206 to upgrade the proposed asphalt concrete pavement surfacing materials with rubberized material, for the paving of Firestone Boulevard between San Miguel Avenue to Otis Street, (c) \$1,270 to upgrade the safety light at Imperial Highway and Amery Avenue to be consistent with the City's standards, (e) \$30,378 to excavate additional existing concrete pavement for the widening section at Firestone Boulevard and Otis Street, and (f) \$28,480 to adjust the contract quantities to match the actual quantities constructed in the field

The Consolidated Project consists of two projects that encompass three locations: Garfield Avenue, Imperial Highway and Firestone Boulevard/Otis Street. The two projects are funded independently and partially with federal funds. For that reason, two change orders are needed to incorporate the needed improvements, to meet federal funding requirements.

To meet the funding needs of the subject projects under Contract No. 2020-43-CC, Metro authorized the City to re-allocate a total of \$340,000 in Measure R Funds from one of the projects (Firestone/Otis Widening and Imperial Highway Median) to the other project (Garfield/Imperial Street Improvements). To date, \$200,000 of Metro Measure R Funds was transferred with City Council approval on March 9, 2021. The remaining \$140,000 of Metro Measure R Funds must now be transferred. The funds are being used to fund the construction of the new median on Garfield Avenue, and related services such as construction management, contingency, and staff time.

**BACKGROUND:** The Consolidated Project is a part of the Capital Improvement Program. It aims to enhance safety, reduce congestion, address deferred maintenance and for beautification on Garfield Avenue, Imperial Highway and Firestone Boulevard/Otis Street. The improvements for all of the project segments includes pavement rehabilitation, reconstruction of deficient sidewalk, curb and gutter, drive approaches and ADA compliance. Additional improvements in each segment are listed below.

- Imperial Highway between the Los Angeles River and East City limit: Installation of a raised center medians with landscape and hardscape, and landscape up-lighting.
- Garfield Avenue between Jefferson Avenue and South City limit: Installation of landscaping, landscape up-lighting, and an infiltration well.

- Firestone Boulevard and Otis Street intersection: Installation of landscaping, construction of a drop-off/pick-up lane, and traffic signal modifications to add left-turn phasing for northbound traffic on Otis Street.

On June 23, 2020, the City Council approved construction Contract No. 2020-43-CC with Sequel Contractors, Inc., in the amount of \$6,283,170 to construct the Consolidated Project.

On March 9, 2021, the City Council approved Change Order No. 1 in the amount of \$275,182, to accomplish the following: (a) \$131,044 to construct the landscape median, (b) \$56,240 to install landscaping with plants, shrubs and river rocks on the median, (c) \$57,123 to install an irrigation system with a remote controller, and (d) \$30,775 to install conduits for future up-lighting.

On April 20, 2021, the City Council approved Change Order No. 2 in the amount of \$228,830, to accomplish the following: (a) \$43,921 in additional improvements to address drainage and driveway issues at the cross gutter, (b) \$106,000 to upgrade two fire hydrants and water lateral lines to meet current standards, (c) \$60,000 to install new decorative up-lighting and conduit runs on Garfield Avenue and Main Street, (d) \$32,301 to make additional sidewalk and crosswalk improvements, (e) \$15,000 to relocate irrigation for the new fence at the South Gate Middle School, (f) and \$3,608 to provide anti-graffiti coating and intermediate arm rest for the bus benches, and (g) to eliminate landscaping and irrigation system improvements proposed on the Hollydale Library property as they are not eligible for funding by project grants and funding sources. This reduced the contract by \$32,000.

Construction began on October 19, 2020, and is scheduled for completion in August 2021. Construction of the majority of the improvements has been completed at the Firestone Boulevard and Otis Street site. Completion is pending the arrival of traffic signal equipment. Construction is underway at the Garfield Avenue and Imperial Highway sites which is planned for substantially completion by early August of 2021.

- ATTACHMENTS:**
- A. Proposed Change Order Nos. 3 and 4
  - B. Change Order No. 2
  - C. Change Order No. 1
  - C. Contract No. 2020-43-CC
  - D. Location Map
  - E. Fiscal Impact

KT:lc



**CITY OF SOUTH GATE  
PUBLIC WORKS DEPARTMENT  
CONTRACT CHANGE ORDER**

<b>CHANGE ORDER #:</b> 4	<b>CITY PROJECT #:</b> 496-ST
<b>PROJECT TITLE:</b> Firestone Blvd./Otis St.	<b>PURCHASE ORDER #:</b> 5886
<b>CONTRACT #:</b> 2020-43-CC	<b>CHANGE REQUESTED BY:</b> City of South Gate
<b>CONTRACTOR:</b> Sequel Contractors, Inc.	<b>DATE OF REPORT:</b> 7/11/2021
	<b>Acct. No.</b> 311-790-31-9457

You are hereby authorized to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications for this contract.  
**NOTE: This Change Order is not effective until approved by the Engineer.**

	Cost	Calendar Days
Original Contract Amount:	\$ 6,283,169.80	150
Previous Change Order Amount:	\$ 643,132.05	10
Contract Change Order Amount: CCO No. 4	\$ 81,439.11	0
<b>Total increase to contract (all change orders) to date:</b>	<b>\$ 724,571.16</b>	<b>10</b>
Revised Total Contract Amount:	\$ 7,007,740.96	160
Percentage of Total Increase (or Decrease) to Contract Amount to Date:	11.53%	0.00%

**DESCRIPTION OF CHANGE ORDER WORK TO BE PERFORMED, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:**

Change in Bid Item Quantities									
Item #	Detailed description	Contract Quantity	Previous Change Orders	THIS Change Orders	Total Adjusted Contract	Unit	Unit Cost	Change Order Cost	Time Extension Working
<b>Schedule B</b>	<b>Firestone Blvd./Otis St. and Imperial Hwy Medians</b>								
B-8	Remove PCC Curb and Gutter	640	0	211	851	LF	\$ 29.00	\$ 6,119.00	0
B-12	Remove Chain Link Fences and Salvage Gates	460	0	4	464	LF	\$ 10.00	\$ 40.00	0
B-18	Construct PCC Sidewalk	8,110	0	1,077	9,187	SF	\$ 8.00	\$ 8,616.00	0
B-21	Construct PCC Curb & Gutter, Type A2-8	200	0	27	227	LF	\$ 60.00	\$ 1,620.00	0
B-22	Construct PCC Curb, Type A1-8	3,510	0	68	3,578	LF	\$ 28.00	\$ 1,904.00	0
B-23	Construct PCC Retaining Curb	115	0	72	187	LF	\$ 60.00	\$ 4,320.00	0
B-24	Construct PCC Pavement, 0.67'	5,190	0	521	5,711	SF	\$ 11.00	\$ 5,731.00	0
B-25	Construct 8-ft Chain Link Fence and Install Salvaged Gates	440	0	2	442	LF	\$ 65.00	\$ 130.00	0
B-26	Unclassified Excavation	1,040	0	366	1,406	CY	\$ 83.00	\$ 30,378.00	0
S-20	Modify Attachment for the School Marque Pole Sign	0	0	1	1	LS	\$ 2,818.70	\$ 2,818.70	0
S-21	Repair Damaged Underground Conduit at the School Sign	0	0	1	1	LS	\$ 2,899.05	\$ 2,899.05	0
S-22	Install PCC Sidewalk at the School	0	0	1	1	LS	\$ 10,387.36	\$ 10,387.36	0
S-23	Install ARHM on Firestone from San Miguel to Otis	0	0	1	1	LS	\$ 5,206.05	\$ 5,206.05	0
S-24	Upgrade Safety Light Luminaires	0	0	1	1	LS	\$ 1,269.95	\$ 1,269.95	0
	<b>Subtotal</b>							<b>\$ 81,439.11</b>	
							<b>Total Cost:</b>	<b>\$ 81,439.11</b>	<b>0</b>

**THE TOTAL AMOUNT OF THIS CONTRACT CHANGE ORDER IS: \$ 81,439.11 0**

Approval Recommended by: Amr Abuelhassan, Construction Manager (SouthStar)	Date: _____
Approval Recommended by: Kenneth Tang, Project Manager	Date: _____
Approval Recommended by: William Stracker, P.E., Deputy City Engineer	Date: _____
Approved by: Arturo Cervantes, P.E., Assistant City Manager / Director of Public Works	Date: _____

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above. **NOTE: If you, the Contractor, do not sign acceptance of this Order, your attention is directed to the requirements of the Specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.**

Accepted by: Contractor's Representative Title: _____	Date: _____
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**CITY OF SOUTH GATE  
PUBLIC WORKS DEPARTMENT  
CONTRACT CHANGE ORDER**

<b>CHANGE ORDER #:</b> 2	<b>CITY PROJECT #:</b> 413-ST and 496-ST
<b>PROJECT TITLE:</b> Garfield Ave/Imperial Hwy and Firestone/Otis	<b>PURCHASE ORDER #:</b> 5886
<b>CONTRACT #:</b> 2020-43-CC	<b>CHANGE REQUESTED BY:</b> City of South Gate
<b>CONTRACTOR:</b> Sequel Contractors, Inc.	<b>DATE OF REPORT:</b> 3/26/2021
<b>Acct. No.</b> 311-790-31-9433 and 311-790-91-9457	

You are hereby authorized to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications for this contract.  
**NOTE: This Change Order is not effective until approved by the Engineer.**

	Cost	Calendar Days
Original Contract Amount:	\$ 6,283,169.80	150
Previous Change Order Amount:	\$ 275,181.91	10
Contract Change Order Amount: CCO No. 2	\$ 228,830.30	0
Total Increase to contract (all change orders) to date:	\$ 504,012.21	10
Revised Total Contract Amount:	\$ 6,787,182.01	160
Percentage of Total Increase (or Decrease) to Contract Amount to Date:	8.02%	0.00%

**DESCRIPTION OF CHANGE ORDER WORK TO BE PERFORMED, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:**

Item #	Detailed description	Change in Bid Item Quantities			Total Adjusted Contract	Unit	Unit Cost	Change Order Cost	Time Extension Working
		Contract Quantity	Previous Change Orders	THIS Change Orders					
<b>Schedule A</b>									
<b>Garfield Ave and Imperial Hwy</b>									
A-7	Remove PCC Sidewalk	17,500	0	680	18,180	EA	\$ 2.00	\$ 1,360.00	0
A-8	Remove PCC Driveway	260	0	-260	0	SF	\$ 10.00	\$ (2,600.00)	0
	Remove PCC Driveway	0	0	614	614	SF	\$ 9.75	\$ 5,986.50	0
A-9	Remove PCC Curb and Gutter	215	0	-215	0	LF	\$ 29.00	\$ (6,235.00)	0
	Remove PCC Curb and Gutter	0	0	445	445	LF	\$ 28.00	\$ 12,460.00	0
A-13	Remove and Reinstall Pavers	915	0	-915	0	SF	\$ 25.00	\$ (22,875.00)	0
	Remove and Reinstall Pavers	0	0	1,443	1,443	SF	\$ 24.00	\$ 34,632.00	0
A-14	Construct PCC Sidewalk	10,250	0	648	10,898	SF	\$ 8.00	\$ 5,184.00	0
A-17	Construct PCC Curb & Gutter	600	0	229	829	LF	\$ 56.00	\$ 12,824.00	0
A-19	Construct PCC Cross Gutter	1,450	0	143	1,593	SF	\$ 20.00	\$ 2,860.00	0
ADD A-5	Furnish and Install Bench (Imperial)	1	0	-1	0	EA	\$ 1,200.00	\$ (13,200.00)	0
	Furnish and Install Bench (Imperial)	0	0	11	11	EA	\$ 1,528.00	\$ 16,808.00	0
ADD A-7	Grub and Clear Ex. Landscape (Hollydale Library Planters)	1	0	-1	0	LS	\$ 4,000.00	\$ (4,000.00)	0
ADD A-8	Furnish and Install (6) Parasoleil Panels (Hollydale Library)	1	0	-1	0	LS	\$ 20,000.00	\$ (20,000.00)	0
ADD A-9	Furnish and Install 24" Box Tree (Hollydale Library)	2	0	-2	0	EA	\$ 2,500.00	\$ (5,000.00)	0
ADD A-10	Furnish and Install 15 Gal. Shrub (Hollydale Library)	6	0	-6	0	EA	\$ 500.00	\$ (3,000.00)	0
ADD A-14	PCC Curb & Gutter Removal and Replacement (Library)	105	0	-105	0	LF	\$ 80.00	\$ (8,400.00)	0
	PCC Curb & Gutter Removal and Replacement (Library)	0	0	148	148	LF	\$ 79.80	\$ 11,810.40	0
ADD A-16	Uplighting and Receptacle	1	0	-1	0	LS	\$ 200,000.00	\$ (200,000.00)	0
	Uplighting and Receptacle	0	0	1	1	LS	\$ 260,000.00	\$ 260,000.00	0
S-15	Remove and Install Curb Drain	0	0	12	12	EA	\$ 800.00	\$ 9,600.00	0
S-16	Install Pavers at Crosswalk Garfield Ave/Century Blvd.	0	0	1	1	LS	\$ 6,000.00	\$ 6,000.00	0
S-17	Repair Concrete Bands at Crosswalk on Garfield Ave.	0	0	1	1	LS	\$ 8,000.00	\$ 8,000.00	0
	<b>Subtotal</b>							\$ 102,214.90	
<b>Schedule B</b>									
<b>Firestone Blvd./Otis St. and Imperial Hwy Medians</b>									
B-7	Remove PCC Driveway	710	0	-710	0	SF	\$ 6.00	\$ (4,260.00)	0
	Remove PCC Driveway	0	0	890	890	SF	\$ 5.95	\$ 5,295.50	0
B-13	Remove and Replace Fire Hydrant	1	0	1	2	EA	\$ 20,000.00	\$ 20,000.00	0
B-17	Remove and Install Curb Drain	1	0	2	3	EA	\$ 800.00	\$ 1,600.00	0
B-20	Construct PCC Driveway	645	0	-645	0	SF	\$ 13.00	\$ (8,385.00)	0
	Construct PCC Driveway	0	0	881	881	SF	\$ 12.90	\$ 11,364.90	0
S-18	Relocate and Upgrade Fire Hydrant Assemblies	0	0	1	1	LS	\$ 86,000.00	\$ 86,000.00	0
S-19	Relocate Irrigation Conflict at The New Fence	0	0	1	1	LS	\$ 15,000.00	\$ 15,000.00	0
	<b>Subtotal</b>							\$ 126,615.40	
	<b>Total Cost:</b>							\$ 228,830.30	0
<b>THE TOTAL AMOUNT OF THIS CONTRACT CHANGE ORDER IS:</b>								\$ 228,830.30	0

Approval Recommended by: Amr Abuehassan, Construction Manager (SouthStar)	<i>K.T. Ali Amr Abuel</i>	Date: 6/15/2021
Approval Recommended by: Kenneth Tang, Project Manager	<i>Kenneth Tang</i>	Date: 7/15/2021
Approval Recommended by: Jose Loera, P.E., Interim Deputy City Engineer	<i>Jose Loera</i>	Date: 7-19-2021
Approved by: Arturo Cervantes, P.E., Assistant City Manager/ Director of Public Works	<i>Arturo Cervantes</i>	Date: 7/19/21

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above. **NOTE: If you, the Contractor, do not sign acceptance of this Order, your attention is directed to the requirements of the Specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.**

Accepted by: Contractor's Representative Title:	Date:
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**CITY OF SOUTH GATE  
PUBLIC WORKS DEPARTMENT  
CONTRACT CHANGE ORDER**

<b>CHANGE ORDER #:</b> 1	<b>CITY PROJECT #:</b> 413-ST and 496-ST
<b>PROJECT TITLE:</b> Garfield Ave/Imperial Hwy and Firestone/Oils	<b>PURCHASE ORDER #:</b> 5886
<b>CONTRACT #:</b> 2020-43-CC	<b>CHANGE REQUESTED BY:</b> City of South Gate
<b>CONTRACTOR:</b> Sennel Contractors, Inc.	<b>DATE OF REPORT:</b> 2/1/2021
<b>Acct. No.</b> 311-790-31-9433 and 311-790-91-9457	

You are hereby authorized to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications for this contract.  
**NOTE: This Change Order is not effective until approved by the Engineer.**

	Cost	Calendar Days
Original Contract Amount:	\$ 6,283,169.80	150
Previous Change Order Amount:	\$ -	0
Contract Change Order Amount: CCO No. 1	\$ 275,181.91	10
Total Increase to contract (all change orders) to date:	\$ 275,181.91	160
Revised Total Contract Amount:	\$ 6,558,351.71	0
Percentage of Total Increase (or Decrease) to Contract Amount to Date:	4.38%	0.00%

**DESCRIPTION OF CHANGE ORDER WORK TO BE PERFORMED, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:**

Item #	Detailed description	Change in Bid Item Quantities				Unit	Unit Cost	Change Order Cost	Time Extension Working
		Contract Quantity	Previous Change Orders	THIS Change Orders	Total Adjusted Contract				
<b>Segment A - Garfield Ave and Imperial Hwy</b>									
A-2	Mobilization and Demobilization	1	0	-1	0	LS	\$ 100,000.00	\$ (100,000.00)	0
	Mobilization and Demobilization	0	0	1	1	LS	\$ 125,000.00	\$ 125,000.00	0
A-2	Construction Survey, Staking and Re-establish Monuments	1	0	-1	0	LS	\$ 40,000.00	\$ (40,000.00)	0
	Construction Survey, Staking and Re-establish Monuments	0	0	1	1	LS	\$ 42,700.00	\$ 42,700.00	0
A-4	Traffic Control/Phasing Plan Preparation & Implementation	1	0	-1	0	LS	\$ 300,000.00	\$ (300,000.00)	0
	Traffic Control/Phasing Plan Preparation & Implementation	0	0	1	1	LS	\$ 309,406.00	\$ 309,406.00	0
A-56	Soil Preparation	4,400	0	5,830	10,230	SP	\$ 0.50	\$ 2,915.00	0
A-57	Furnish and Install 2-inch thick Shredded Wood Mulch	30	0	42	72	CY	\$ 95.00	\$ 3,990.00	0
A-59	Furnish and Install 5-gallon Shrub	108	0	25	133	EA	\$ 30.00	\$ 750.00	0
A-60	Furnish and Install 1-gallon Shrub	461	0	100	561	EA	\$ 10.00	\$ 1,000.00	0
A-61	Furnish and Install 4-inch Pot Groundcover	1,506	0	650	2,156	EA	\$ 4.00	\$ 2,600.00	0
A-63	Furnish and Install 4"-10" River Cobble	352	0	300	652	SP	\$ 28.00	\$ 8,400.00	0
A-66	Furnish and Install Mister Valve Assembly w/ Valve Box	1	0	1	2	EA	\$ 400.00	\$ 400.00	0
A-67	Furnish and Install Shut-off valve Assembly w/ Valve Box	3	0	1	4	EA	\$ 400.00	\$ 400.00	0
A-68	Furnish and Install Quick Coupler Valve Assembly w/Valve	3	0	1	4	EA	\$ 350.00	\$ 350.00	0
A-70	Furnish and Install Drip System Complete Per Plan	4,397	0	5,000	9,397	SF	\$ 5.50	\$ 27,500.00	0
A-73	Furnish and Install 2" Sch 80 PVC Conduit	105	0	150	255	LF	\$ 80.00	\$ 12,000.00	0
A-77	365 Day Maintenance Period	1	0	-1	0	LS	\$ 35,000.00	\$ (35,000.00)	0
	180 Day Maintenance Period	0	0	1	1	LS	\$ 35,000.00	\$ 35,000.00	0
ADD A-9	Furnish and Install 24" Box Trees	0	0	11	11	EA	\$ 2,500.00	\$ 27,500.00	0
S-1	Construct PCC Curb, Type A1-6 complete	0	0	1,466	1,466	LF	\$ 17.98	\$ 26,358.68	7
S-2	Slot Pave	0	0	120	120	TN	\$ 147.42	\$ 17,690.40	1
S-3	Furnish and Install CMB and Grade for PCC Curb	0	0	1	1	LS	\$ 19,177.33	\$ 19,177.33	1
S-4	Top Soil	0	0	500	500	CY	\$ 38.00	\$ 19,000.00	0
S-5	Furnish and install Moisture barrier	0	0	1,466	1,466	LF	\$ 6.00	\$ 8,796.00	0
S-6	Perform connection to water service, hot tap and stub out	0	0	1	1	EA	\$ 4,473.40	\$ 4,473.40	0
S-7	Furnish and Install Backflow Preventer assembly in cage	0	0	1	1	EA	\$ 5,000.00	\$ 5,000.00	0
S-8	Furnish and Install 2/8 wires	0	0	1,330	1,330	LF	\$ 1.50	\$ 1,995.00	0
S-9	Furnish and Install 1" Sch 80 PVC Conduit	0	0	665	665	LF	\$ 2.50	\$ 1,662.50	0
S-11	Potable Water Service (1" meter)	0	0	1	1	EA	\$ 4,000.00	\$ 4,000.00	0
S-12	Furnish and Install Calsense irrigation controller assembly	0	0	1	1	EA	\$ 15,000.00	\$ 15,000.00	0
S-13	Furnish and Install #5 Pull Box	0	0	14	14	EA	\$ 600.00	\$ 8,400.00	0
S-14	GRC Conduit for Power	0	0	220	220	LF	\$ 85.08	\$ 18,717.60	1
<b>Total Cost:</b>								<b>\$ 275,181.91</b>	<b>10</b>
<b>THE TOTAL AMOUNT OF THIS CONTRACT CHANGE ORDER IS:</b>								<b>\$ 275,181.91</b>	<b>10</b>

Approval Recommended by: Amr Abuellhassan, Construction Manager (SouthStar)	<i>[Signature]</i>	Date: 4/15/2021
Approval Recommended by: Kenneth Tang, Project Manager	<i>[Signature]</i>	Date: 4/15/2021
Approval Recommended by: Jose Loera, P.E., Interim Deputy City Engineer	<i>[Signature]</i>	Date: 2-19-2021
Approved by: Arturo Corvantes, P.E., Assistant City Manager / Director of Public Works	<i>[Signature]</i>	Date: 7/19/21

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above. **NOTE: If you, the Contractor, do not sign acceptance of this Order, your attention is directed to the requirements of the Specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.**

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Contractor's Representative  
Title: \_\_\_\_\_



**AGREEMENT FOR STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT TO EAST CITY LIMIT CITY PROJECT NO. 413-ST, FEDERAL PROJECT NO. STPL-5257(030) AND FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL HIGHWAY CENTER MEDIAN CITY PROJECT NO. 496-ST, FEDERAL PROJECT NO. HSIPL-5257(032)**

This Agreement for construction of the Street Improvements on Garfield Avenue from South City Limit to Jefferson Avenue and Imperial Highway from West City Limit to East City Limit, City Project No. 413-ST, Federal Project No. STPL-5257(030), and Firestone Boulevard and Otis Street Improvements and Imperial Highway Center Median, City Project No. 496-ST, Federal Project No. HSIPL-5257(032), is made and entered into on June 23, 2020, by and between the City of South Gate ("Owner"), and Sequel Contractors, Inc., California corporate number C1677728 ("Contractor"). The Owner and Contractor are sometimes hereinafter individually referred to as a "Party" and collectively as "Parties."

The Owner and the Contractor mutually agree as follows:

**ARTICLE I**

**THE PROJECT**

For and in consideration of the mutual promises set forth herein, Contractor agrees with Owner to perform and complete in good and workmanlike manner all work required by the Contract Documents for City Contract No.\_\_\_\_, which involves the following project: Street Improvements on Garfield Avenue from South City limit to Jefferson Avenue and Imperial Highway from West City Limit to East City Limit City, Project No. 413-ST, Federal Project No. STPL-5257(030) and Firestone Boulevard and Otis Street Improvements and Imperial Highway Center Median City Project No. 496-ST, Federal Project No. HSIPL-5257(032).

Said work shall be performed in accordance with the Contract Documents, which are referenced in Article III hereof and incorporated herein as though fully set forth. Contractor shall furnish at its own expense all labor, materials, equipment and services necessary therefore, except such labor, materials, equipment and services as are specified in the Contract Documents to be furnished by Owner.

**ARTICLE II**

**CONTRACT SUM AND PAYMENT**

For performing and completing the work in accordance with the Contract Documents, Owner shall pay Contractor, in full compensation therefore, the contract sum shall not exceed Six Million Two Hundred Eighty Three Thousand One Hundred Sixty Nine Dollars and Eighty Cents (\$6,283,169.80) set forth in the Bid Schedule(s) that are included among the Contract Documents. Said sum shall constitute payment in full for all work performed hereunder,

including, without limitation, all labor, materials, equipment, tools and services used or incorporated in the work, supervision, administration, delivery, overhead, expenses and any and all other things required, furnished or incurred for completion of the work as specified in the Contract Documents. Owner shall make payments to Contractor on account of the contract sum at the time, in the manner, and upon the conditions specified in the Contract Documents.

### ARTICLE III

#### CONTRACT DOCUMENTS

The Contract Documents, which constitute the entire agreement between the Owner and the Contractor, are enumerated as follows: the Notice Inviting Bids, the Bid Schedule(s), the Bid Security Forms for Check or Bond, this Agreement, Worker's Compensation Insurance Certificate, the Non-Collusion Affidavit, the Specifications, and all addenda as prepared prior to the date of bid opening setting forth any modifications or interpretations of any of said documents, and any and all supplemental agreements heretofore or herewith executed amending or extending the work contemplated and which may be required to complete the work in a substantial and acceptable manner, all of which are referred to as the Contract Documents. These form the Contract, and all are as fully a part of the Contract as if attached to this Agreement or repeated herein.

### ARTICLE IV

#### INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend (with counsel selected by the City of South Gate), the City of South Gate, its consultants and sub-consultants, their respective officers, agents, and employees, from any and all claims and losses whatsoever occurring or resulting to any and all persons, firms, or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, any and all claims, lawsuits or actions arising from the awarding or execution of this Agreement, and from any and all claims and losses occurring or resulting to any person, firm, corporation or property for damage, injury, death arising out of or connected with the Contract. Supplier's obligation to indemnify, defend and save harmless the City of South Gate, its consultants and sub-consultants, and their respective officers, agents and employees, as stated hereinabove shall include, but not be limited to, paying all legal fees and costs incurred by legal counsel of the City of South Gate's choice in representing the City of South Gate, its consultants and sub-consultants and their respective officers, agents, and employees, in connection with any such claims, losses, lawsuits or actions. THIS PROVISION SHALL SURVIVE THE COMPLETION OF WORK AND SERVICES AND DELIVERY OF MATERIALS TO BE PROVIDED UNDER THIS AGREEMENT.

### ARTICLE V

Contractor acknowledges the provisions of the State Labor Code requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance in accordance with the provisions of that code and certifies compliance with such provisions. Contractor further

acknowledges the provisions of the State Labor Code requiring every employer to pay at least the minimum prevailing rate of per diem wages for each craft, classification, or type of workman needed to execute this contract.

**ARTICLE VI**

**EFFECTIVE DATE**

This Agreement shall become effective and commence as of the date set forth below on which the last of the Parties, whether Owner or Contractor, executes said Agreement.

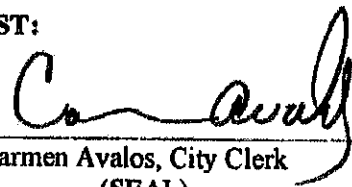
**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized.

**CITY OF SOUTH GATE:**


By:   
Maria Davila, Mayor

Dated: \_\_\_\_\_

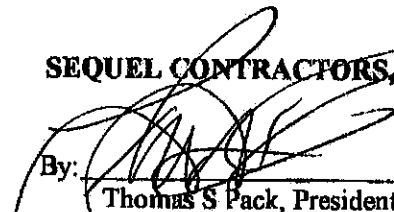
**ATTEST:**

By:   
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:   
Raul F. Salinas, City Attorney

**SEQUEL CONTRACTORS, INC.:**

By:   
Thomas S Pack, President

Date July 7, 2020

# SEQUEL CONTRACTORS, INC.

ST. LIC #610600A

13546 IMPERIAL HWY  
SANTA FE SPRINGS, CA 90670

Fax (562) 802-7499

(562) 802-7227 Office

## ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF SEQUEL CONTRACTORS, INC.

The undersigned being all of the Directors of SEQUEL CONTRACTORS, INC. a California Corporation, do hereby take the following action by this written consent at a meeting of the Board of Directors held on April 4, 2019 in accordance with the Bylaws of the Corporation and the California Corporation Code.

WHEREAS, the Board of Directors deems it advisable to authorize the officers of the Corporation, Abel Magallanes, Thomas S. Pack and Michael A. Mahler, respectively, to execute bid bonds on behalf of the Corporation with any agency, person, company or municipality;

RESOLVED FURTHER, that Abel Magallanes, Thomas S. Pack and Michael A. Mahler are authorized to execute labor, material, and faithful performance bonds in connection with contracts to be entered into with any agency, person, company or municipality;

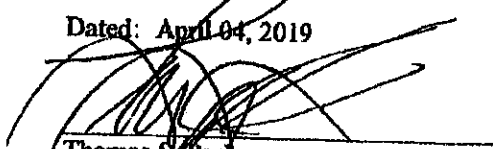
RESOLVED FURTHER, that Abel Magallanes, Thomas S. Pack and Michael A. Mahler are authorized and directed to execute and deliver street improvement contracts and related agreements with any agency, person, company or municipality on such terms conditions as they deem advisable in their sole discretion;


RESOLVED FURTHER, that Abel Magallanes, Thomas S. Pack and Michael A. Mahler be, and they hereby are authorized by their sole signatures on any document to bind this corporation to contract, bids, bonds, etc.;

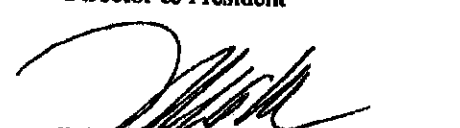
RESOLVED FURTHER, that Abel Magallanes, Thomas S. Pack and Michael A. Mahler be, and they hereby are authorized and directed to take any and all such other actions and execute such other documents as may be necessary or appropriate to carry out the purposes of the foregoing authorizations.

In witness thereof, the undersigned Directors have executed this unanimous written consent to indicate this adoption of the consent of the foregoing resolution and the action set forth therein.

Dated: April 04, 2019

  
Thomas S. Pack  
Director & President

  
Abel Magallanes  
Director, Vice President & Assistant Secretary

  
Michael A. Mahler  
Director & Secretary

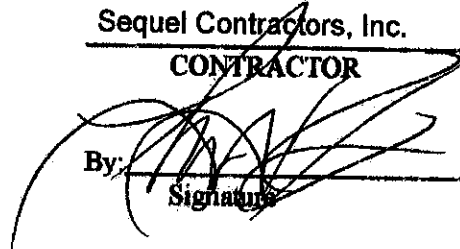
**WORKER'S COMPENSATION INSURANCE CERTIFICATE**

The Contractor shall execute the following form as required by the California Labor Code, Sections 1860 AND 1861.


I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of the Contract.

DATED July 7, 2020

Sequel Contractors, Inc.  
**CONTRACTOR**

By:   
Signature

Thomas S. Pack                      President  
Title

ATTEST:  
By:   
Signature

Michael A. Mahler                      Secretary  
Title



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )

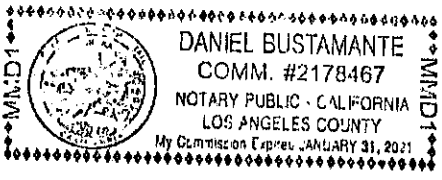
On 7/3/20 before me, Daniel Bustamante, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Thomas S. Park, President  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Daniel Bustamante  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer -- Title(s): \_\_\_\_\_  
 Partner --  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer -- Title(s): \_\_\_\_\_  
 Partner --  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

**STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT  
TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT  
TO EAST CITY LIMIT CITY PROJECT NO. 413-ST,  
FEDERAL PROJECT NO. STPL-5257(030) AND  
FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL  
HIGHWAY CENTER MEDIAN CITY PROJECT NO. 496-ST,  
FEDERAL PROJECT NO. HSIPL-5257(032)**

**FAITHFUL PERFORMANCE BOND  
100% OF CONTRACT AMOUNT**

Bond No. 107163148

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the South Gate City ("City" herein) has awarded to Sequel Contractors, Inc., California corporate number C1677728 ("Contractor" herein) a contract for:

**STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT  
TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT  
TO EAST CITY LIMIT, CITY PROJECT NO. 413-ST,  
FEDERAL PROJECT NO. STPL-5257(030) AND  
FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL  
HIGHWAY CENTER MEDIAN, CITY PROJECT NO. 496-ST,  
FEDERAL PROJECT NO. HSIPL-5257(032); and**

WHEREAS, said Contract is incorporated herein by this reference; and

WHEREAS, said Contractor is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract;

NOW, THEREFORE, we, Contractor and Travelers Casualty and Surety Company of America as Surety, are held and firmly bound unto the City in the penal sum of **Six Million Two Hundred Eighty Three Thousand One Hundred Sixty Nine Dollars and Eighty Cents (\$6,283,169.80)**, lawful money of the United States, for the payment of which we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that the obligation shall become null and void if the above-bounded Contractor, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Contract and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included



in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, the work to be performed thereunder, or the specifications that accompany the Contract shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the contract, the work, or the specifications.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

Sequel Contractors, Inc.  
(Type name of Contractor)

13648 Imperial Highway

Santa Fe Springs, CA 90670  
(Type address of Contractor)


By:   
(Signature of authorized officer)

Thomas S. Pack  
President  
(Title of officer)

Travelers Casualty and Surety Company of America  
(Type name of Surety)

21688 Gateway Center Drive

Diamond Bar, CA 91765  
(Type address of Surety)

By:   
(Signature of authorized officer)

Douglas A. Rapp  
Attorney in Fact  
(Title of officer)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

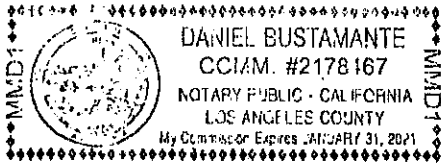
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )  
On 7/7/20 before me, Daniel Bustamante, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Thomas S. Park, President  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Daniel Bustamante  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Orange

On July 07, 2020 before me, Debra Swanson, Notary Public  
(insert name and title of the officer)

personally appeared Douglas A. Rapp  
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the  
person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Debra Swanson (Seal)





**Travelers Casualty and Surety Company of America  
Travelers Casualty and Surety Company  
St. Paul Fire and Marine Insurance Company**

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Douglas A. Rapp, of Aliso Viejo, California, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**IN WITNESS WHEREOF,** the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 3rd day of February, 2017.



State of Connecticut

City of Hartford ss.

By: *Robert L. Raney*  
Robert L. Raney, Senior Vice President

On this the 3rd day of February, 2017, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2021



*Marie C. Tetreault*  
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED,** that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED,** that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 7th day of July, 2020.



*Kevin E. Hughes*  
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.  
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.

**STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT  
TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT  
TO EAST CITY LIMIT CITY PROJECT NO. 413-ST,  
FEDERAL PROJECT NO. STPL-5257(030) AND  
FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL  
HIGHWAY CENTER MEDIAN CITY PROJECT NO. 496-ST,  
FEDERAL PROJECT NO. HSIPL-5257(032)**

**100% PAYMENT BOND**

Bond No. 107163148

WHEREAS, the City of South Gate, California ("City" herein), has awarded to Sequel Contractors, Inc., California corporate number C1677728, ("Contractor" herein) a Contract for the work described as follows:

**STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT  
TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT  
TO EAST CITY LIMIT CITY PROJECT NO. 413-ST,  
FEDERAL PROJECT NO. STPL-5257(030) AND  
FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL  
HIGHWAY CENTER MEDIAN CITY PROJECT NO. 496-ST,  
FEDERAL PROJECT NO. HSIPL-5257(032)**

WHEREAS, said Contractor is required to furnish a bond in connection with said Contract, to secure the payment of claims of laborers, mechanics, material suppliers and other persons, as provided by law;

NOW, THEREFORE, we, the undersigned Contractor and Surety, are held firmly bound unto the City in the sum of Six Million Two Hundred Eighty Three Thousand One Hundred Sixty Nine Dollars and Eighty Cents (\$6,283,169.80) for which payment well and truly to be made we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if said Contractor, its heirs, executors, administrators, successors, assigns, or subcontractors shall fail to pay any of the persons named in Civil Code Section 9100(a), or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, then the Surety herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. If suit is brought upon this bond, the said Surety will pay a reasonable attorney's fee to the plaintiff(s) and the City in an amount to be fixed by the court.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100(a) as to give a right of action to such persons or their assigns in any suit brought upon this bond.

Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract Documents or the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of such change, extension of time, alteration or modification of the Contract Documents or of work to be performed thereunder.

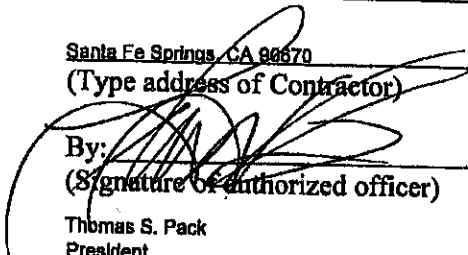
**IN WITNESS WHEREOF**, this instrument has been duly executed by the above-named Contractor and Surety on July 7, 2020.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

Sequel Contractors, Inc.  
(Type name of Contractor)

13546 Imperial Highway

Santa Fe Springs, CA 90670  
(Type address of Contractor)

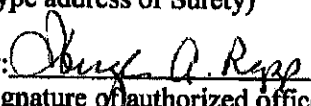
By:   
(Signature of authorized officer)

Thomas S. Pack  
President  
(Title of officer)

Travelers Casualty and Surety Company of America  
(Type name of Surety)

21888 Gateway Center Drive

Diamond Bar, CA 91765  
(Type address of Surety)

By:   
(Signature of authorized officer)

Douglas A. Rapp  
Attorney in Fact  
(Title of officer)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

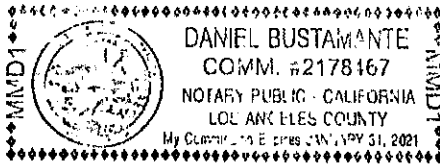
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )  
On 7/7/20 before me, Daniel Bustamante, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Thomas S. Pech, President  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Daniel Bustamante  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer -- Title(s): \_\_\_\_\_  
 Partner --  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer -- Title(s): \_\_\_\_\_  
 Partner --  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

# ACKNOWLEDGMENT

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State of California  
County of Orange )

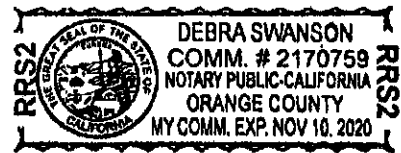
On July 07, 2020 before me, Debra Swanson, Notary Public  
(insert name and title of the officer)

personally appeared Douglas A. Rapp  
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the  
person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Debra Swanson (Seal)



**TRAVELERS**

**Travelers Casualty and Surety Company of America  
Travelers Casualty and Surety Company  
St. Paul Fire and Marine Insurance Company**

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Douglas A. Rapp, of Aliso Viejo, California, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**IN WITNESS WHEREOF,** the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 3rd day of February, 2017.



State of Connecticut

City of Hartford ss.

By: *Robert L. Raney*  
Robert L. Raney, Senior Vice President

On this the 3rd day of February, 2017, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2021



*Marie C. Tetreault*  
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED,** that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED,** that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 7th day of July, 2020.



*Kevin E. Hughes*  
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.  
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/08/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Brown & Brown Insurance Services of CA, Inc. 2401 E. Katella Ave. Suite 550 Anaheim CA 92806		<b>CONTACT NAME:</b> Marlene Valencia <b>PHONE (A/C, No, Ext):</b> (714)221-1800 <b>E-MAIL ADDRESS:</b> mvalencia@bbsocal.com <b>FAX (A/C, No):</b> (714)221-4196	
<b>INSURED</b> Sequel Contractors, Inc. 13546 Imperial Hwy. Santa Fe Springs CA 90670		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Middlesex Insurance Company	<b>NAIC #</b> 23434
		<b>INSURER B:</b> Navigators Specialty Insurance Company	<b>36058</b>
		<b>INSURER C:</b>	
		<b>INSURER D:</b>	
		<b>INSURER E:</b>	
		<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:** 19-20 Master      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	Y	A0138008004	10/01/2019	10/01/2020	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COM/PROP AGG \$ 4,000,000 Employee Benefits \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	A0138008001	10/01/2019	10/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		A0138008006	10/01/2019	10/01/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	A0138008005	10/01/2019	10/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Excess Liability		SE19EXCZ0387GIC	10/01/2019	10/01/2020	Each Occurrence 2,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
RE: Sequel Job #569. STREET IMPROVEMENTS ON GARFIELD AVENUE FROM SOUTH CITY LIMIT TO JEFFERSON AVENUE AND IMPERIAL HIGHWAY FROM WEST CITY LIMIT TO EAST CITY LIMIT CITY PROJECT NO. 413-ST, FEDERAL PROJECT NO. STPL-5257(030) AND FIRESTONE BOULEVARD AND OTIS STREET IMPROVEMENTS AND IMPERIAL HIGHWAY CENTER MEDIAN CITY PROJECT NO. 496-ST, FEDERAL PROJECT NO. HSIPL-5257(032).

The City, officers, officials, employees and volunteers are named as Additional Insured as respects to to General Liability and Auto Liability in regards to the operations of the Named Insured if required by written contract. General and Auto Liability are primary and

<b>CERTIFICATE HOLDER</b> South Gate City Public Works Attn: City Engineer 8650 California Ave South Gate CA 90280	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**COMMENTS/REMARKS**

noncontributory if required by written contract. 30 Days notice of cancellation if required by written contract.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage	All locations per written contract, agreement or permit Description: All jobs performed that have a written contract, agreement or permit
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage	All locations and jobs performed that have a written contract, agreement or permit
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



POLICY NUMBER: A0138008004

COMMERCIAL GENERAL LIABILITY  
CG 20 01 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NONCONTRIBUTORY -  
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance Condition** and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

CG 20 01 04 13  
A0138008  
Middlesex Insurance Company

© Insurance Services Office, Inc., 2012

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09/26/2019

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DESIGNATED CONSTRUCTION PROJECT(S)  
GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Designated Construction Project(s):** All construction projects away from premise owned by or rented by insured

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I - Coverage A, and for all medical expenses caused by accidents under Section I - Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
  4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I - Coverage A, and for all medical expenses caused by accidents under Section I - Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D.** If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E.** The provisions of Section III - Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

POLICY NUMBER: A0138008001

COMMERCIAL AUTO  
CA 76 01 06 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DESIGNATED INSURED - PRIMARY AND  
NONCONTRIBUTORY - COVERED AUTOS  
LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
AUTO DEALERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated.

**Named Insured:** Sequel Contractors Inc

**Endorsement Effective Date:** 10/01/2019

**SCHEDULE**

**Name Of Person(s) Or Organization(s):**

Any person or organization you are required to add as an additional insured under a written contract or agreement in effect prior to any accident, injury, loss or damage

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in:**

- (1) Paragraph A.1. of Section II - Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms; or
- (2) Paragraph D.2. of Section I - Covered Autos Coverages of the Auto Dealers Coverage Form.

**B. Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other auto insurance issued to the person or organization in the schedule under your policy provided that:

- (1) The person or organization is a Named Insured under such other insurance; and
- (2) Prior to the "accident" you have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the person or organization.

CA 76 01 06 15  
A0138008  
Middlesex Insurance Company

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with its permission.

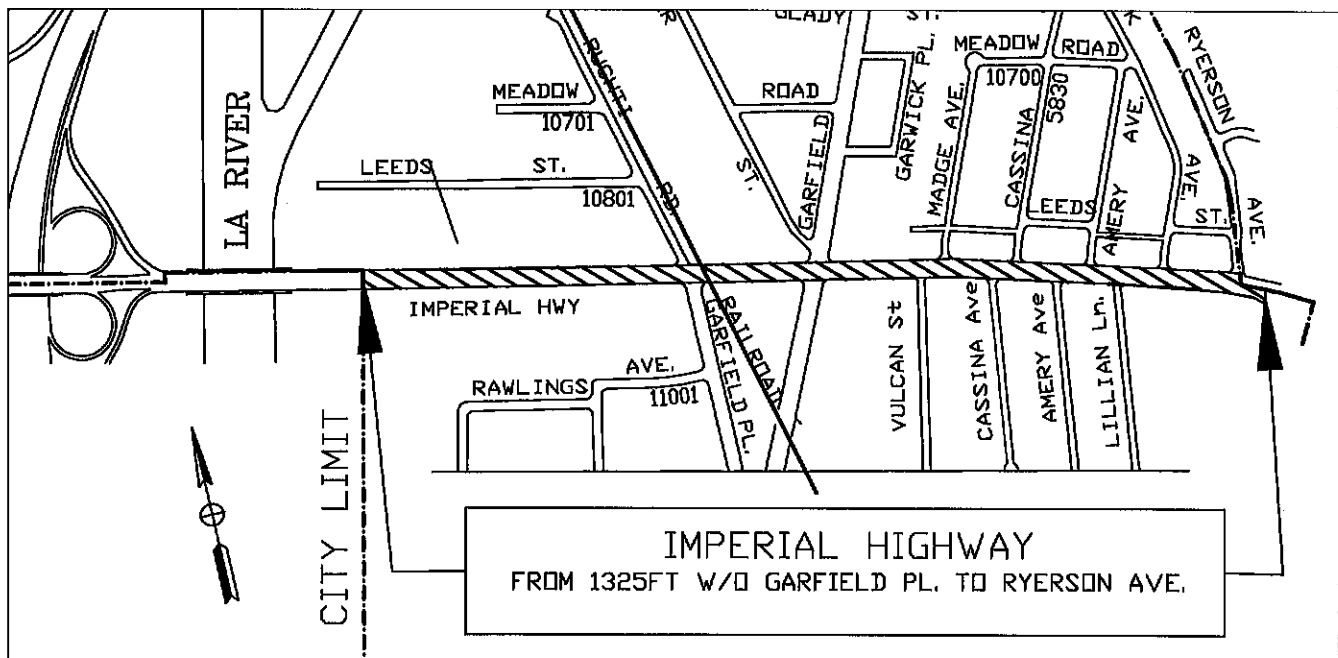
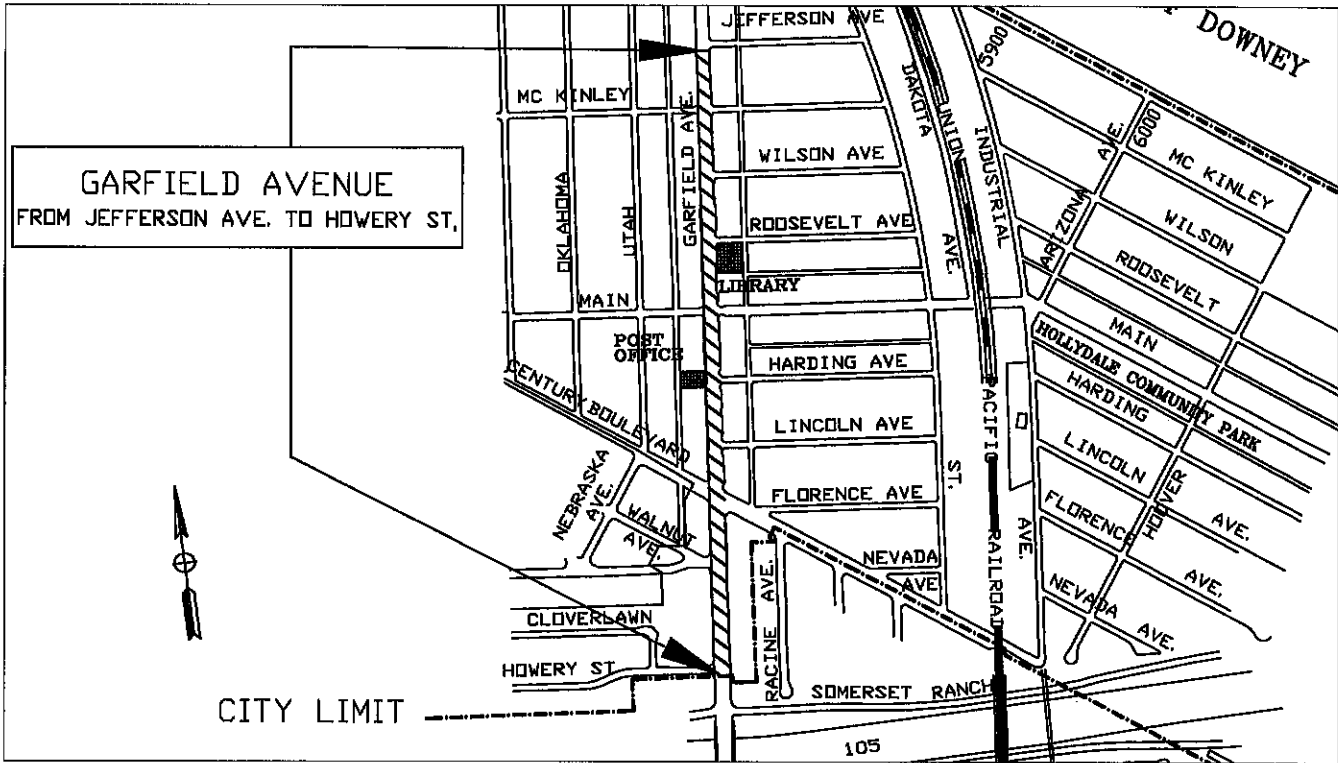
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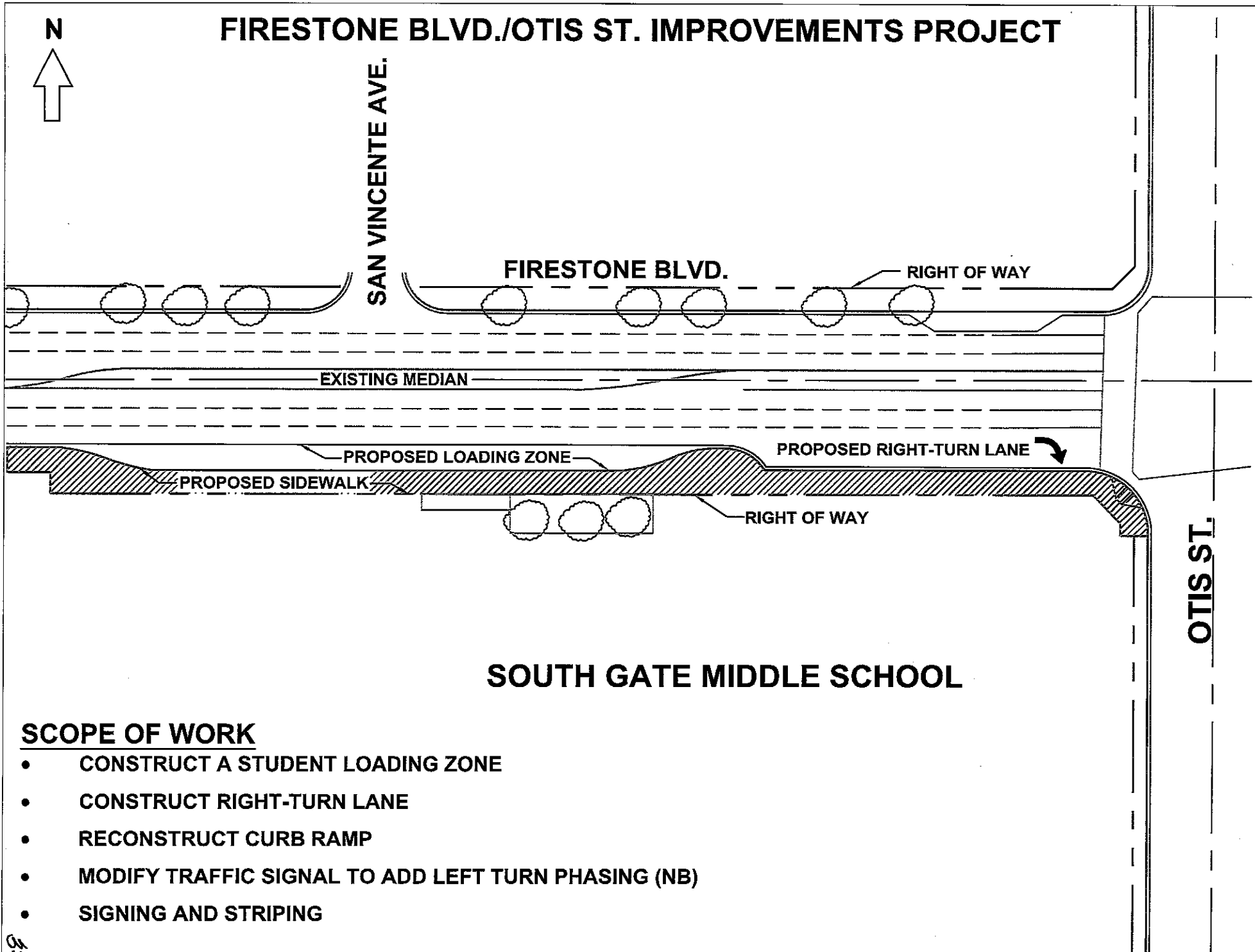
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# CITY OF SOUTH GATE



LOCATION MAP

# FIRESTONE BLVD./OTIS ST. IMPROVEMENTS PROJECT



## SOUTH GATE MIDDLE SCHOOL

### SCOPE OF WORK

- CONSTRUCT A STUDENT LOADING ZONE
- CONSTRUCT RIGHT-TURN LANE
- RECONSTRUCT CURB RAMP
- MODIFY TRAFFIC SIGNAL TO ADD LEFT TURN PHASING (NB)
- SIGNING AND STRIPING

57

**ATTACHMENT E - BUDGET SUMMARY**

Project Description	Garfield/Imperial, 413-ST, STEL 5257(030)								Firestone/Otis & Imperial Medians, 496-ST, HSIPL-5257(32)					Total
CIP Account No.	311-790-31-9433								311-790-31-9457					
City Council Action					Pending									
Funding Sources	STPL Funds	SB-1 Funds	Prop C Funds	Prop C Funds	TAC- Measure R	TAC- Measure R	General Funds	Water Funds	HSIPL Funds	TAC- Measure R	Prop C Funds	Gas Tax	Water Funds	
	\$ 2,278,821	\$ 500,000	\$ 1,960,000	\$ 1,070,000	\$ 200,000	\$ 140,000	\$ 1,850	\$ 100,000	\$ 887,400	\$ 1,816,250	\$ 1,020,000	\$ 4,676	\$ 110,000	
Project Design Phase		\$ 29,056	\$ 606,822	\$ 5,641			\$ 1,850		\$ 151,083		\$ 303,338	\$ 4,676		
Construction Contract	\$ 2,278,821	\$ 465,303	\$ 1,353,178	\$ 45,510				\$ 100,000	\$ 537,510	\$ 1,145,938	\$ 531,910			
CCO No. 1				\$ 144,138	\$ 131,044								\$ 275,182	
CCO No. 2				\$ 102,215						\$ 20,615			\$ 106,000	
CCO No. 3				\$ 43,120		\$ 96,000							\$ 139,120	
CCO No. 4										\$ 81,439			\$ 81,439	
Construction Contingency*				\$ 129,252						\$ 124,286	\$ 97,250		\$ 4,000	
Const. Management & Inspection*				\$ 444,709	\$ 43,956	\$ 20,000				\$ 222,418			\$ 731,083	
Staff Time*				\$ 118,472	\$ 20,000	\$ 24,000			\$ 61,427	\$ 50,559	\$ 6,486		\$ 280,944	
Construction Support*				\$ 36,943	\$ 5,000					\$ 17,722	\$ 1,773		\$ 61,438	
<b>Total</b>	<b>\$ 2,278,821</b>	<b>\$ 494,359</b>	<b>\$ 1,960,000</b>	<b>\$ 1,070,000</b>	<b>\$ 200,000</b>	<b>\$ 140,000</b>	<b>\$ 1,850</b>	<b>\$ 100,000</b>	<b>\$ 750,020</b>	<b>\$ 1,662,977</b>	<b>\$ 940,757</b>	<b>\$ 4,676</b>	<b>\$ 110,000</b>	
Remaining Balance:	\$ -	\$ 5,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,380	\$ 153,273	\$ 79,243	\$ -	\$ -	
<b>Total Project Cost:</b>					<b>\$6,110,671</b>					<b>\$3,833,650</b>				

\*Included 10% Contingency

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RECEIVED

JUN 15 2021

City of South Gate  
CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

1:10pm

AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Administrative Services

Interim Department Director:  Kingsley Okereke  
Interim City Manager:  Chris Jeffers

**SUBJECT:** ANNUAL ADOPTION OF THE CITY'S INVESTMENT POLICY

**PURPOSE:** California Government Code Section 53646 requires staff to annually submit the City's Statement of Investment Policy to the City Council for review and adoption.

**RECOMMENDED ACTION:** Adopt the City's Annual Statement of Investment Policy.

**FISCAL IMPACT:** None.

**ANALYSIS:** The Statement of Investment Policy guides the investment of city funds. Part of the stewardship of the city finances requires that the City Council consider and approve the City's investment policy annually.

The City Investment Policy applies to secure the investment principal, allows for ease of liquidation, and provides a reasonable return on the investments. In addition, the Investment Policy allows the City of South Gate to maintain sufficient cash so all payments due in at least the next six months may be made in a timely manner.

The City's investment policy continues to be very conservative, authorizing only those investments provided for in the Government Code. It requires diversification of the City's investments, with no maturity exceeding five years, and all brokers must be pre-screened before investing any of the City's funds

**BACKGROUND:** California Government Code Section 53646 requires the City Council to annually adopt an investment policy. The Investment Policy outlines the City's investment guidelines and investing strategy. The City of South Gate Investment Policy complies with State guidelines.

**ATTACHMENT :** , City of South Gate Statement of Investment Policy



## STATEMENT OF INVESTMENT POLICY

### I. POLICY

It is the policy of the City of South Gate, referred to as "City," to invest public funds in a prudent manner which will provide, in the following order: 1) the highest level of safety of funds, 2) liquidity of funds in order that daily cash flow demands are met, and 3) that the yield or investment return be maximized, all while conforming to all laws of the State of California regarding the investment of public funds.

In accordance with Section 53646 of the Government Code, the Director of Administrative Services, hereafter referred to as "Director", will annually render to the City Council a Statement of Investment Policy. The Director, City Treasurer, City Manager and the City Council Finance Committee shall review the policy on an annual basis for submission and approval by the City Council.

### II. DELEGATION OF AUTHORITY

The City Council, consistent with Government Code Section 53601, has retained investment authority and is ultimately responsible for all investment decisions. The authority for administration of the City's investment program is vested with the Director as a general extension of the powers and duties of the Director pursuant to Chapter 1.08 of the South Gate Municipal code, and further, pursuant to the City Council action of February 25, 1997. As administrator of the City's financial program, the Director is assigned full discretionary management of the City's investments and shall report directly to the City Council. The appointment of the Director as administrator of the City's investment program shall be annually reviewed by the City Council pursuant to the City's statement of investment policy. In the absence of the Director of Administrative Services, the City Council delegates the City Manager as administrator.

### III. SCOPE

The Director is authorized to invest the City's funds in accordance with California Government Code Sections 16429.1 and 53601 et seq. This investment policy applies to all financial assets of the City. These funds are accounted for in the Comprehensive Annual Financial Report (CAFR), which includes the following fund types:

- General Fund
- Special Revenue
- Debt Service
- Capital Projects
- Enterprise
- Internal Services
- Trust and Agency
- Any new fund created by the legislative body, unless specifically exempted.

All monies entrusted to the Director will be pooled in the portfolio except for the employee's retirement funds which are administered separately, and the proceeds of certain debt issues which are managed and invested by trustees appointed under indenture agreements.

#### IV. PRUDENCE

According to Section 53600.3 of the California Government Code, the governing body, or persons authorized to make investment decisions on behalf of the local agency, are trustees and therefore fiduciaries subject to the prudent investor standard. The actions of the Director in the performance of his/her duties as manager of public funds shall be evaluated using the following prudent person standard applied in the context of managing the overall portfolio:

Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### V. OBJECTIVES

In accordance with Section 53600.5 of the Government Code, the primary objectives of the City's investment activities shall be in priority order:

##### A. Safety

Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City shall seek to safeguard principal by a careful examination of credit risk and market risk of individual investments.

1. *Credit Risk* – is defined as the risk of loss due to failure of an issuer of a security and shall be mitigated by investing in only very safe institutions and by diversifying the fund so that the failure of any one issuer would not unduly harm the City's cash flow.
2. *Market Risk* – is defined as the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by limiting the weighted average maturity of the City fund to less than five years.

B. Liquidity

The investment portfolio will remain sufficiently liquid to enable the City to meet all operating expenditure requirements which might be reasonably anticipated. In order to maintain liquidity, the City will develop a laddered investment portfolio with regularly scheduled maturities and invest primarily in securities with active secondary or resale markets.

C. Return on Investment

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Whenever possible, consistent with risk limitations and prudent investment principles, the City shall make an effort to achieve returns at the market-average rate of returns. The market-average rate of return is defined as the average return on three-month U.S. Treasury Bills or the Local Agency Investment Fund administered by the California State Treasurer. These indices are considered benchmarks for lower risk investment transactions and therefore comprise a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment policies.

Because the City operates the portfolio passively, the Director applies a buy and hold philosophy to the acquisition and sale of individual investments.

VI. SAFEKEEPING AND CUSTODY

A. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to release of the City funds.

B. Safekeeping

Securities will be held by an independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City's name and annually provide a financial report.

C. Internal Controls

The Director is responsible for ensuring compliance with the City's investment policies as well as for establishing systems of internal control to ensure the assets of the City are protected from loss, theft or misuse and to regulate the activities of subordinate staff.

The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping

- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff
- Written confirmation of transactions for investments and wire transfers
- Dual authorizations of wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the City Council will be assured the portfolio complies with policies and procedures during the annual independent audit by the City's external auditor.

#### VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Director is required to file annual disclosure statements as required by the Fair Political Practices Commission (EPPC), thus disclosing to the City Clerk any material financial interests in financial institutions that conduct business within this jurisdiction. Officers and employees involved in the investment process shall further disclose any large personal financial investment positions that could be related to the performance of the City investment portfolio.

During the course of the year, if there is an event subject to disclosure that could impair the ability of the Director to make impartial decisions the City Manager will be notified in writing within 10 days.

#### VIII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

Pursuant to the State Code, Section 53601.5, the City shall transact business only with issuers, banks, savings and loans and registered investment securities dealers. The purchase of any investment, other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State of California as a broker/dealer, as defined in section 25004 of the Corporations code, who is a member of the National Association of Securities Dealers or a member of a Federally regulated securities exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The Director's staff shall investigate all institutions that wish to do business with the City in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs by completing and signing a Broker-Dealer Questionnaire (Appendix A), agree by signing the Broker-Dealer Receipt of Investment Policy (Appendix B) to abide by the conditions set forth in the City's Investment Policy and provide a current audited financial statement annually.

The Director will maintain a list of financial institutions authorized to provide investment services to the City, will not give full discretionary authority to external investment managers

and will not use external investment managers to purchase or sell securities or manage the City's portfolio unless specifically approved by the City Council with a contract signed by the Mayor and City Attorney.

#### IX. AUTHORIZED AND SUITABLE INVESTMENTS

The State of California Government Code Sections 16429.1 and 53601 et seq., limit the investment vehicles available to local agencies. The City's Investment Policy further restricts the permitted investments to those listed below:

- State Treasurer's Local Agency Investment Fund (LAIF) – Government Code Section 16429.1 authorizes each local government agency to invest a maximum of \$65 million in this investment program administered by the California State Treasurer. Money invested with LAIF is pooled with State money in order to earn the maximum rate of return possible in a manner consistent with sound investment practices.
- United States Treasury Bills, Notes and Bonds or those for which the full faith and credit of the United States are pledged for payment of principal and interest. Purchase of this category shall not exceed five years to maturity. There is no percentage limit in this category.
- Federal Agency or United States government sponsored securities including those issued by or fully guaranteed as to principle and interest by federal agencies or United States government-sponsored enterprises. Obligations in this in this category referred to as "Federal Agencies" include but are not limited to issues by the Government National Mortgage Association, Federal Mortgage Association and Federal Home Loan Mortgage Corporation. There are no restrictions in amount of purchase or percentage of holdings.
- Time Certificates of Deposits – As authorized in Government Code Section 53601 and 53630, Time Certificates of Deposits are fixed term investments which are required to be collateralized from 110% to 150% depending on the specific security pledged as security. The City shall deposit funds only with financial institutions which operate in California. The Federal Deposit Insurance Corporation (FDIC) must insure these institutions. There are no portfolio limits on limits on the amount or maturity for this type of investment.
- Negotiable Certificates of Deposits – As authorized in Government Code Section 53601(i), Negotiable Certificates of Deposit are short-term investments issued by a nationally or state-chartered bank. Purchases may not exceed 30% of the portfolio and final maturity may not exceed five (5) years from date of purchase.
- Certificate of Deposit Account Registry System (CDARS) - A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each,

so that FDIC coverage is maintained.

- Bankers Acceptances – otherwise known as bills of exchange or tie drafts that are drawn on and accepted by a commercial bank. Purchase of banker’s acceptances may not exceed 180 days (six months) maturity or 40% of the agency’s portfolio that may be invested. Moreover, no more than 30% of the City’s portfolio may be invested in the banker’s acceptances of any commercial bank.
- Commercial Paper – of “prime” quality of the highest ranking or of the highest letter and number rating provided by Moody’s Investors Service, Inc., Standard and Poor’s (S&P) or Fitch Financial Services, Inc. (Fitch). The corporation that issues the commercial paper shall be organized and operating within the United States, shall have total assets debt, other than commercial paper that is rated “A” or higher by Moody’s, S&P or Fitch. Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10% of the outstanding paper of an issuing corporation. The City may not invest more than 25% of the portfolio in eligible commercial paper.
- Medium – Term Notes – defined as all corporate and depository institutions debt securities with a maximum remaining maturity of five years or less, issued by corporations organized within the United States or by institutions licensed by the United States or any state and operating within the United States. Notes must be rated category “A” or its equivalent or better by a nationally recognized rating service. No more than 10% of the portfolio may be invested in one bank or corporate name. If rated by more than one rating service, both ratings must meet the minimum credit standards. Purchases of medium-term notes shall not exceed 30% of the agency’s portfolio.
- Bond Funds and Money Market Mutual Funds – Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by the State of California Code 53601 and 52630 et seq. Both investments must have assets under management in excess of five hundred million dollars (\$500,000,000) and the purchase price may not include any commissions charged by these companies. These types of investments are to be used primarily as overnight or short term sweep accounts for interest and maturities with the City’s custodial agent and the City’s bank accounts. Companies must have either:
  - 1) The highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized rating, or
  - 2) Retained an investment advisor registered or exempt with the Securities and Exchange Commission, with no less than five years of experience investing in:
    - a) Bond Funds – the securities and obligations authorized by the State Code 53601 a-j inclusive and 1 or m; or
    - b) Money Market Mutual Funds – money mutual funds.

Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received

from at least three financial institutions, when possible.

Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section specifies time-specific, that is only applicable at the date of purchase.

- According to State of California Code 53601.6, the City may not invest in inverse floaters, range notes or mortgage derived, interest-only strips.

#### X. COLLATERALIZATION

Pursuant to State Code, Sections 53651-53667, depositories have duties and responsibilities toward public monies on deposit that may differ from their duties relative to nonpublic funds. California law requires public funds to be collateralized – the depository must secure its public fund accounts by maintaining with the agent of the depository securities having a market value of at least one hundred ten percent (110%) of the value of the public funds accounts (see Government Code Section 53652). If a depository uses mortgage-backed securities as collateral for public funds, the market value of the securities must be at least 150% of the value of the public funds. A waiver may be granted under certain circumstances or to the extent the City funds are insured by the Federal Deposit Insurance Corporation (FDIC).

#### XI. DIVERSIFICATION

The City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, federal agency securities, overnight sweep accounts, and authorized pools (LAIF), no more than 20% of the entity's total investment portfolio will be invested in a single security type or 10% in any one corporate or bank issuer.

#### XII. MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

#### XIII. POLICY CONSIDERATIONS

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. The City Council will be advised of the situation and intended course of action. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

#### XIV. REPORTING

Under the provision of Section 53646 of the California Government Code, the Director shall render a report to the City Council and the City Manager containing detailed information on

all securities, investments and moneys of the City. The report will be submitted on at least a quarterly basis and provided to the City Council within 30 days following the end of the quarter.

The report will contain the following information that is subject to this investment policy:

- 1) the type of investment, name of the issuer, date of maturity, par and cost in each investment;
- 2) the weighted average maturity of the investments;
- 3) any investments, including loans and security lending programs, that are under the management of contracted parties;
- 4) the market value and source of the valuation to ensure that review of investments in terms of value and price volatility have been performed;
- 5) a description of the compliance with the statement of investment policy;
- 6) level of custodial risk; and
- 7) a statement denoting the City's ability to meet its anticipated expenditure requirements for the next six months.

ATTACHMENTS:   A) GLOSSARY  
                  B) APPENDIX A - BROKER-DEALER QUESTIONNAIRE  
                  C) APPENDIX B - BROKER-DEALER RECEIPT OF INVESTMENT POLICY



## GLOSSARY

**AGENCY:** Federal agency securities.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.

**BID:** The price offered for securities.

**BROKER:** A broker brings buyers and sellers together for a commission.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Certificate of Deposit may be issued in either negotiable or nonnegotiable form. Nonnegotiable certificates cannot be resold in the secondary market and may face penalties for early redemption whereas a negotiable CD may be resold.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):** A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DISCOUNT:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full value, e.g. US Treasury Bills.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent return.

**FEDERAL CREDIT AGENCIES:** Agencies of Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. The Federal Reserve through open-market operations currently pegs this rate.

**FEDERAL RESERVE SYSTEM:** The Central Bank of the United States created by Congress and consisting of a seven Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate lend to savings and loan associations and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (US T-bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**NEGOTIABLE CERTIFICATES OF DEPOSIT:** Short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by FDIC up to \$250,000, but they are not collateralized beyond that amount.

**PORTFOLIO:** The collection of securities held by an investor.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state-the so-called legal list. In other states the trustee may invest in a security if it is one, which a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital would buy.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

**RATE OF RETURN:** For fixed-rate securities, it is the coupon or contractual dividend rate divided by the purchase price, which is also the current yield.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**TREASURY BILLS OR T-BILLS:** A non-interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**TREASURY BOND:** Long-term US Treasury securities having initial maturities of more than ten years.

**TREASURY NOTES:** Intermediate term coupon bearing US Treasury securities issued as direct obligations of the US Government and having initial maturities of from one to ten years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage.



10. Please provide your Wiring and Delivery instructions.

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11. Which of the following instruments are offered regularly by your local desk:

- T-Bills  Treasury Notes/Bonds  Discount Notes  NCD's
- Agencies (specify) \_\_\_\_\_
- BA's (Domestic)  BA's (Foreign)  Commercial Paper
- Medium-Term Notes

12. Does your Firm specialize in any of the instruments listed above? \_\_\_\_\_

13. Please identify your comparable government agency clients in the City of South Gate's geographical area.

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14. What reports, confirmation, and other documentation would the City receive?

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15. Please include samples of research reports or market information that your firm regularly provides to government agency clients.

16. What precautions are taken by your Firm to protect the interests of the public when dealing with government agencies as investors?

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17. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years? [ ] Yes [ ] No

18. If yes, please explain. \_\_\_\_\_

\_\_\_\_\_

19. Attached certified document of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided currently, and within 120 days of your fiscal year-end.

20. Please indicate the current licenses of the City's representatives:

Agent \_\_\_\_\_ License or registration \_\_\_\_\_

21. Is your firm a member of the NASD? Does it subscribe to the rules of fair practice?

\_\_\_\_\_

**APENDIX B**

**BROKER-DEALER RECEIPT OF INVESTMENT POLICY**

We are in receipt of the City of South Gate's Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering the City's account will be made aware of this policy and will be directed to give consideration to its provisions and constraints in selecting investment opportunities to present to the City.

**SIGNATURES:**

\_\_\_\_\_ Firm

\_\_\_\_\_ Firm

\_\_\_\_\_ Name

\_\_\_\_\_ Name

\_\_\_\_\_ Title

\_\_\_\_\_ Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

After reading and signing this Receipt of Investment Policy, please return with supporting documentation to:

City of South Gate  
Director of Administrative Services  
8650 California Avenue  
South Gate, CA 90280-3075

**City of South Gate's Use Only:**

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date notification sent: \_\_\_\_\_

Sent by: \_\_\_\_\_

JUL 20 2021  
5:40 pm

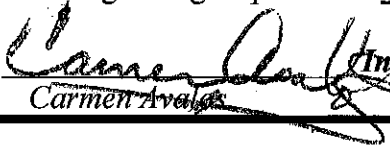
*City of South Gate*  
CITY COUNCIL

AGENDA BILL

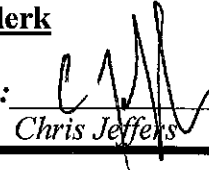
For the Regular Meeting of: July 27, 2021

Originating Department: Office of the City Clerk

Department Director:

  
Carmen Avalos

Interim City Manager:

  
Chris Jeffers

**SUBJECT:** APPROVAL OF CITY COUNCIL MEETING MINUTES

**PURPOSE:** To historically preserve the events of the City Council Meetings.

**RECOMMENDED ACTION:**

- A. Approve the Regular and Special Meeting minutes of June 22, 2021

**FISCAL IMPACT:** None.

**ANALYSIS:** The minutes are provided to the City Council on the Wednesday prior to their regular business meeting. Amendments should be provided to the City Clerk's Office within 24 hours of a City Council Meeting so that verification of the record and corrections are made accordingly. A revised document will be provided to the City Council prior to the Meeting.

**BACKGROUND:** The minutes typically describe the events of the meeting and may include a list of attendees, a statement of the issues considered by the participants, and related responses or decisions for the issues.

**ATTACHMENTS:** City Council Minutes



**CITY OF SOUTH GATE  
REGULAR CITY COUNCIL MEETING  
MINUTES  
TUESDAY, JUNE 22, 2021**

**CALL TO ORDER** Al Rios, Mayor called a Regular City Council meeting to order at 6:34 p.m.

**INVOCATION** Reverend Sean Pica from Redeemer Lutheran Church

**PLEDGE OF ALLEGIANCE** Joshua Barron, Parks & Recreation Commissioner

**ROLL CALL** Carmen Avalos, City Clerk

**PRESENT** Mayor Al Rios, Vice Mayor Maria del Pilar Avalos, Council Member Maria Davila, Council Member Denise Diaz, and Council Member Gil Hurtado; City Treasurer Gregory Martinez; Interim City Manager Chris Jeffers, City Attorney Raul F. Salinas

**1**  
**PROCLAMATIONS** The City Council issued a Proclamation declaring the 4th of July 2021 as Independence Day in honor and celebration of our nation's 245th birthday.

**2**  
**PROCLAMATIONS** The City Council issued a Proclamation declaring July 2021 as Parks Make Life Better! Month.

**EXCUSED FROM MEETING** At this time, Council Member Diaz, was excused from the meeting and left the call.

**3**  
**PROCLAMATIONS** The City Council issued a Proclamation declaring July 2021 as National Minority Mental Health Awareness Month.

**4**  
**PRESENTATIONS** The City Council presented Certificates of Appreciation to Naud Avellaneda, Angel Ayala, Bryan Bonilla, Briana Guerra, Liza Lopez, Axel Perez, Ashley Rivas and Arianna Sanabria.

**5**  
**PERSONNEL RECURITMENT** The City Council considered allowing staff to introduce the new and promotional full-time employees hired or promoted during May 2021.

REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

6

**COUNCIL APPOINTMENTS** Council Member Maria Davila appointed Angela Lucero to the Tweedy Mile Advisory Board; the appointment was ratified by a majority vote of the City Council by motion of Council Member Davila and seconded by Council Member Hurtado.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Davila, yes; Council Member Hurtado, yes; Council Member Diaz, absent.

7

**WATER**

The City Council conducted a Public Hearing and approved A, B, and C by motion of Council Member Hurtado and Council Member Davila.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Davila, yes; Council Member Hurtado, yes; Council Member Diaz, absent.

- a. Received and filed a presentation of the City's 2020 Urban Water Management Plan and Water Shortage Contingency Plan;
- b. Adopted Resolution No. 2021-26-CC entitled - A Resolution of the City Council of the City of South Gate, California, adopting the 2020 Urban Water Management Plan to comply with the Urban Water Management Planning Act (California Water Code Division 6, Part 2.6, Sections 10610 through 10657) as mandated in California; and
- c. Adopted Resolution No. 2021-27-CC entitled - A Resolution of the City Council of the City of South Gate, California, adopting the 2020 Water Shortage Contingency Plan to comply with the Urban Water Management Planning Act (California Water Code Division 6, Part 2.6, Sections 10610 through 10657) as mandated in California.

Art Cervantes, Public Works Director and Shahnawaz "Shahn" Ahmad, SA Associates provided the presentation for this item.

Council Member Hurtado requested at a future meeting Council can receive information on the impact of population growth.

Mayor Rios opened the Public Hearing. Seeing no one come forward the Mayor closed the Public Hearing.

Mayor Rios encouraged the public to conserve water and would like to see an outreach program for the residents.

Vice Mayor Avalos asked if staff has already made plans for a public outreach program.

Mr. Cervantes stated that public outreach is included with the recommendation and will continue to look at future projects.

## REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

### COMMENTS FROM THE AUDIENCE

The South Gate librarians announced that the Hollydale Library is reopened to provide select in person services. Additionally, sidewalk services will continue.

Virginia Johnson, 5751 McKinley Avenue, spoke about the dismantling of the museum and transit housing (700 residential units), retail and office spaces. She also thanked the police department for the confiscation of illegal fireworks in area 5.

Octavio Cesar Martinez, United Metal Recyclers of California spoke on the importance of metal recyclers.

Robert Montalvo stated that the American Legion will be hosting a COVID vaccination site on Friday, June 25<sup>th</sup>. He also reported that there is a scam going around the City with landlords charging application fees to possible renters with no chance of getting the rental.

Andrea Paulino, Hollydale resident, stated that she recently received the new South Gate Connect and suggested that it include information for residents on the City's municipal codes.

Chris Jeffers, City Manger stated that he will contact Parks staff and update Council on the status of the library. Staff is monitoring the situation with the property in the City of Downey and once we have complete information, we will be able to respond. Council Member Hurtado has also been in contact with the Council Members of Downey.

### REPORTS AND COMMENTS FROM CITY STAFF

Jackie Acosta, Director of Administrative Services spoke about her 6 years working at the City as she leaves this week to go on to another position.

Carmen Avalos, City Clerk, thanked Ms. Acosta for her hard work during her time with the City. Ms. Avalos stated that the new public records request system has gone live and updated Council on the upcoming 2022 election. Lastly, Ms. Avalos stated that she was selected by the Los Angeles Register Recorders Office to look at various systems for political filings.

Raul F. Salinas, City Attorney thanked Ms. Acosta for her work during her time with the City.

Greg Martinez, City Treasurer also thanked Ms. Acosta for her hard work and dedication. Mr. Martinez also stated that the PR Case site that he works for is closing and they are looking to find permanent housing for many of the homeless people that are clients with his site.

## REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

### REPORTS AND COMMENTS FROM CITY STAFF CONT'D

Council Member Davila attended South Gate Middle School's graduation ceremony and there is a new CEO at METRO.

Council Member Davila also would like to have an update on the City's Museum and thanked Ms. Acosta for her dedication to the City.

Council Member Hurtado thanked Ms. Acosta for her work with the City and spoke about illegal dumping near the railroad tracks.

Council Member Hurtado stated that JAA is reopening as well as other local youth organizations. Due to COVID restrictions JAA will not be able to have a basketball season this year but they will have a second baseball season. At the high school level all three teams made the softball playoffs and Legacy High School won the City Championship. He encourages everyone to support youth sports.

Vice Mayor Avalos had nothing to report on her outside commissions but wished all the fathers that work for the City a happy belated Father's Day. The Vice Mayor also thanked Ms. Acosta for her dedication.

Mayor Rios also thanked Ms. Acosta for her work with the City. Mayor Rios attended the Northgate grand opening. He encouraged residents to get vaccinated and there is money still available at the State level for rental relief.

### CONSENT CALENDAR

Agenda Items 8, 9, 10, 11, 12, 14, 15, 16 and 17 were approved by motion of Council Member Davila and seconded by Council Member Hurtado. Item 13 will be brought back at a future City Council Meeting.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Davila, yes; Council Member Hurtado, yes; Council Member Diaz, absent.

### 8 ELECTION ADMIN

The City Council waived the reading in full and adopted Ordinance No. 2021-06-CC entitled - Ordinance of the City Council of the City of South Gate, California, changing the date of the City's General Municipal Election from the March Statewide Primary Election cycle to the November Statewide General Election cycle, effective in 2022, and continuing thereafter in even numbered years during consent calendar.

## REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

9

### PUBLIC ACCESS CORPORATION

The City Council waived the reading in full and adopted Ordinance No. 2021-07-CC entitled - An Ordinance of the City Council of the City of South Gate, California, establishing the City's public, educational, and governmental programming access support fee on state-franchised video service providers operating within the City of South Gate during consent calendar.

10

### EMERGENCY/DISASTER PLANNING/PROGRAMS

The City Council adopted Resolution No. 2021-28-CC entitled - A Resolution of the City Council of the City of South Gate, California extending the Local Emergency within the City as a result of the ongoing Coronavirus Disease 2019 pandemic during consent calendar.

11

### PERSONNEL BENEFITS/RETIREMENT

The City Council adopted Resolution No. 2021-29-CC entitled - A Resolution of the City Council of the City of South Gate, California approving and adopting compensation tables and benefits for Executive Management Contract Employees hired after July 1, 2021 during consent calendar.

12

### STREETS/SIDEWALKS LANDSCAPING

The City Council adopted Resolution No. 2021-30-CC entitled - A Resolution of the City Council of the City of South Gate, California adopting the Local Streets and Roads Funding Program Project List for Fiscal Year 2021/22 to program \$1,863,456 in Senate Bill 1 funds to the Citywide Sidewalk Improvements Project Phase VIII, City Project No. 683-ST; the Long Beach Boulevard Pedestrian and Median Improvements Project, City Project No. 515-ST; the Citywide Residential Resurfacing Project Phase II, City Project No. 661-ST; and the Citywide Residential Resurfacing Project Phase III, City Project No. 684-ST, in compliance with Senate Bill 1 requirements during consent calendar.

13

### PERSONNEL ADMIN

The City Council considered adopting a Resolution amending Resolution No. 6454 (Salary Resolution and Position Classification Plan) updating the job specification of the Equipment Maintenance Superintendent position in the Public Works Department.

Item 13 was removed from the Consent Calendar and will be brought back at a future City Council Meeting.

## REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

14

### DEEDS & EASEMENTS

The Council approved A and B during consent calendar.

- a. Accepted the Grant Deed (#193) from Gratitude RE, LLC to secure a 3-foot swath of right-of-way for street purposes along Long Beach Boulevard; and
- b. Authorized the Mayor to execute the Certificates of Acceptance in forms acceptable to the City Attorney.

15

### STREETS/SIDEWALKS LANDSCAPING

The City Council approved A, B, and C during consent calendar.

- a. Accepted completion of construction, effective April 29, 2021, of the Citywide Sidewalk Improvement Project Phase VII, City Project No. 659-ST, constructed by Vido Samarzich, Inc.;
- b. Approved a transfer of \$54,532 in Measure R Funds from Account No. 311-790-31-9565 (Long Beach Boulevard Street Improvement Project) into Account No. 311-790-39-9479 (Capital Improvements - South Gate Citywide Sidewalk Improvement Project, Phase VII) to fully fund construction and construction management services; and
- c. Directed the City Clerk to file Notice of Completion with Los Angeles County Registrar Recorder's Office.

16

### PERSONNEL LABOR RELATIONS

The City Council approved A and B during consent calendar.

- a. Approved a Master Agreement (Contract No. 2021-87-CC) with Robert Half International Inc. for the procurement of temporary staff on an as-needed basis, in an amount not-to-exceed \$300,000 per fiscal year; and
- b. Authorized the Mayor to execute the Master Agreement in a form acceptable to the City Attorney.

## REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021

17  
MINUTES

The City Council approved A and B during consent calendar.

- a. The Special and Regular Meeting minutes of May 11, 2021; and
- b. The Special Meeting minutes of April 20, April 27, and May 25, 2021.

REJOINED MEETING

Council Member Diaz rejoined the meeting during to the discussion of Item 18.

18  
EMERGENCY/DISASTER  
PLANNING/PROGRAMS

The City Council approved A and B by motion of Vice Mayor Avalos and seconded by Council Member Davila

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Davila, yes; Council Member Hurtado, yes; Council Member Diaz, yes.

- a. Received and filed the American Rescue Plan Act (ARPA) of 2021 report; and
- b. Provided direction to staff on the proposed use of the City's estimated \$34.5 million allocation from the ARPA. Based on the City Council's direction, staff will prepare appropriate budgetary action for the City Council's consideration at a future meeting.

19  
WARRANTS

The City Council approved the Warrants except for #92718, # 92932, and #92838 by motion of Vice Mayor Avalos and seconded by Council Member Davila.

**Roll Call:** Mayor Rios, yes; Vice Mayor Avalos, yes; Council Member Davila, yes; Council Member Hurtado, yes; Council Member Diaz, yes.

- a. Approving Check No. 92614 from May 25, 2021;
- b. Approving Check No. 92718 from June 8, 2021; and
- c. Approving the Warrant Register for June 22, 2021

**REGULAR CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021**

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<b>WARRANTS CONT'D</b>	Total of Checks:	\$2,487,616.07
	Voids:	\$ (1,224.58)
	Total of Payroll Deductions	\$ (408,099.64)
	Grand Total:	\$2,078,291.85

Cancellations: 92422, 92643, 92783, 92893

**ADJOURNMENT**

Mayor Rios unanimously adjourned the meeting in memory of former Lakewood City Manager Howard L. Chambers and Maria de Socorro Rodriguez Hernandez, grandmother of Eric Quintero, Waste Management Employee at 9:16 p.m. by motion of Council Member Davila and seconded by Vice Mayor Avalos.

**PASSED** and **APPROVED** this 27<sup>th</sup> day of July 2021.

ATTEST:

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Al Rios, Mayor

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Carmen Avalos, City Clerk



**CITY OF SOUTH GATE  
SPECIAL CITY COUNCIL MEETING  
MINUTES  
TUESDAY, JUNE 22, 2021**

**CALL TO ORDER** Al Rios, Mayor called a Special City Council meeting to order at 5:33 p.m.

**ROLL CALL** Carmen Avalos, City Clerk

**PRESENT** Mayor Al Rios, Vice Mayor Maria del Pilar Avalos, Council Member Maria Davila, Council Member Denise Diaz and Council Member Gil Hurtado; Interim City Manager Chris Jeffers, City Attorney Raul F. Salinas

**ABSENT** City Treasurer Gregory Martinez

**CLOSED SESSION** The Council Members recessed into Closed Session at 5:36 p.m. and reconvened at 6:30 p.m. with all Members of Council present. City Attorney Salinas reported the following:

**1. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION**

Pursuant to Government Code Section 54956.9(a), 54954.9(b)(3)(C)

- a. Senorina Rendon v. City of South Gate
- b. Marco Alatorre v. City of South Gate, et al.
- c. Lidia Hernandez v. Los Angeles County Fire Department, et al.

Item 1a is a case regarding a slip and fall on a city street. The City of South Gate tendered this claim to the construction company involved with the repairs of the street. The construction company's insurance company settled the case. City Council approved the settlement by the construction company's insurance company by motion of Vice Mayor Avalos and seconded by Council Member Hurtado. The vote was 5 to 0. As part of the motion the City also agreed to dismiss the cross complaint against the construction company and also agreed to accept the repayment of the attorney's fees in the amount of \$28,500 which represents approximately an 80% recovery.

**SPECIAL CITY COUNCIL MEETING MINUTES OF JUNE 22, 2021**

For Item 1b the City Council received a report from the City Attorney. Upon completion of the report the City Council approved the defense of the litigation on a motion by Council Member Hurtado and seconded by Mayor Rios. The vote was 5 to 0.

For Item 1c the City was dismissed without prejudice when it was determined that no City vehicle was involved as part of that litigation. There is an agreement that allows Ms. Hernandez to file against the City in the future if the facts show otherwise. This agreement was approved by the City Council on a motion by Council Member Davila and seconded by Vice Mayor Avalos. The vote was 5 to 0.

**ADJOURNMENT**

Council Member Davila unanimously adjourned the meeting at 6:33 p.m. and seconded Council Member Hurtado.

**PASSED** and **APPROVED** this 27th day of July 2021.

ATTEST:

---

Al Rios, Mayor

---

Carmen Avalos, City Clerk

JUL 20 2021  
5:00pm

**City of South Gate**  
CITY COUNCIL

**AGENDA BILL**

For the Regular Meeting of: July 27, 2021  
Originating Department: Administrative Services

Interim Department Director:  Interim City Manager:   
Kingsley Okereke Chris Jeffers

**SUBJECT: REVIEW AND ACCEPT FISCAL YEAR 2019-2020 AUDITED ANNUAL COMPREHENSIVE FINANCIAL REPORT AND PRESENTATION**

**PURPOSE:** City Council presentation and review of the City of South Gate Fiscal Year ended June 30, 2020, annual audit, and the Annual Comprehensive Financial Report (ACFR).

**RECOMMENDED ACTION:** This is a receive and file item. No formal council action is required.

**FISCAL IMPACT:** The total cost of the Fiscal Year 2019/20 annual audit was included in the Fiscal Year 2020/21 budget and paid equitably by the following funds:

<u>City-Wide Audit</u>	<u>Account No.</u>	<u>FY20/21 Total Actual Cost</u>
General Fund	100-301-12-6101	52,520
Successor Agency	611-660-43-6801	5,628
Housing Authority	241-630-43-6101	5,000
CDBG Fund	243-601-43-6101	2,850
Asset Forfeiture Fund	235-570-21-6101	1,533
<b>Total</b>		<b>67,531</b>

**ANALYSIS:** The Annual Comprehensive Financial Report (ACFR) of the City of South Gate for the Fiscal Year ended June 30, 2021, is hereby presented as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of South Gate issue annually a report on its financial position and activities, and that an independent firm of certified public accountants audit this report.

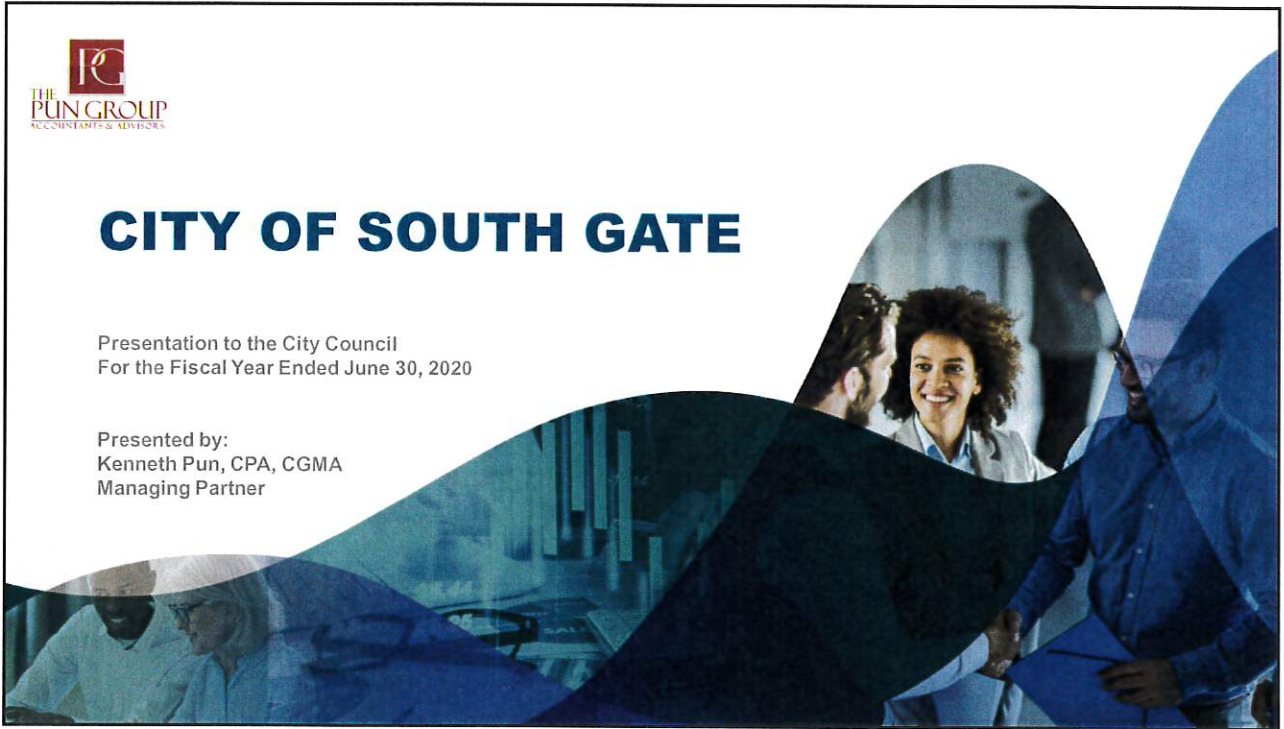
The annual audit for the fiscal year ended June 30, 2020, was conducted by the independent accounting firm of The Pun Group, LLP (the auditors). The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended June 30, 2020, are free of material misstatements. The audit was conducted in accordance with accounting principles generally accepted in the United States. The auditors found that the City's financial statements presents fairly, in all material respects the financial positions of the city governmental and business-type activities, essentially a clean audit opinion.

The auditor's presentation will outline their audit goals and strategy as well as their findings and recommendations.

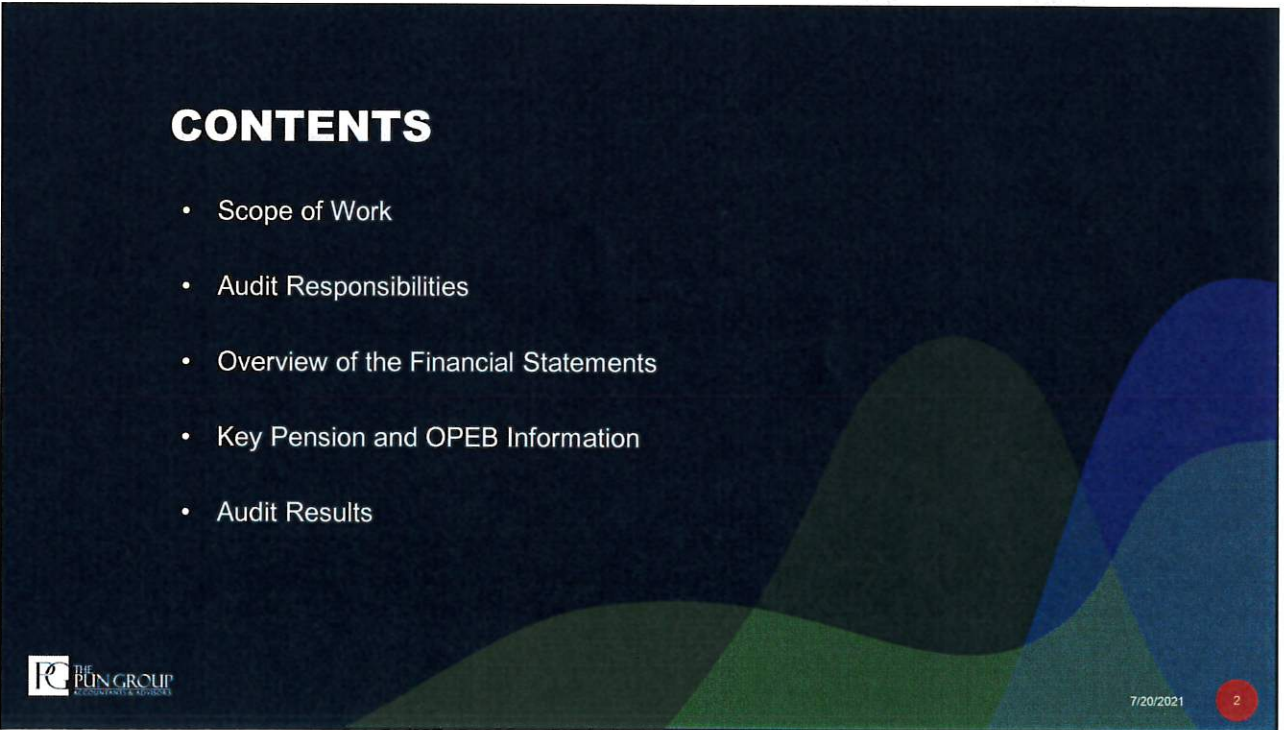
**BACKGROUND:** The ACFR is intended to provide city officials and the public with a complete and comprehensive view of the City's financial activities, condition, and performance at the close of the fiscal year.

**ATTACHMENTS:**

- A. The Auditor's Presentation
- B. FY 2019-20 Comprehensive Annual Comprehensive Financial Report of the City of South Gate



1



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## Scope of Work

- Audit of the Comprehensive Annual Financial Report
- Report on Internal Control over Financial Reporting and on Compliance in accordance with *Government Auditing Standards*
- Report on Compliance over Major Federal Programs and Internal Control over Compliance in accordance with 2 CFR 200 (Uniform Guidance)



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## AUDIT RESPONSIBILITIES



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## MANAGEMENT RESPONSIBILITIES

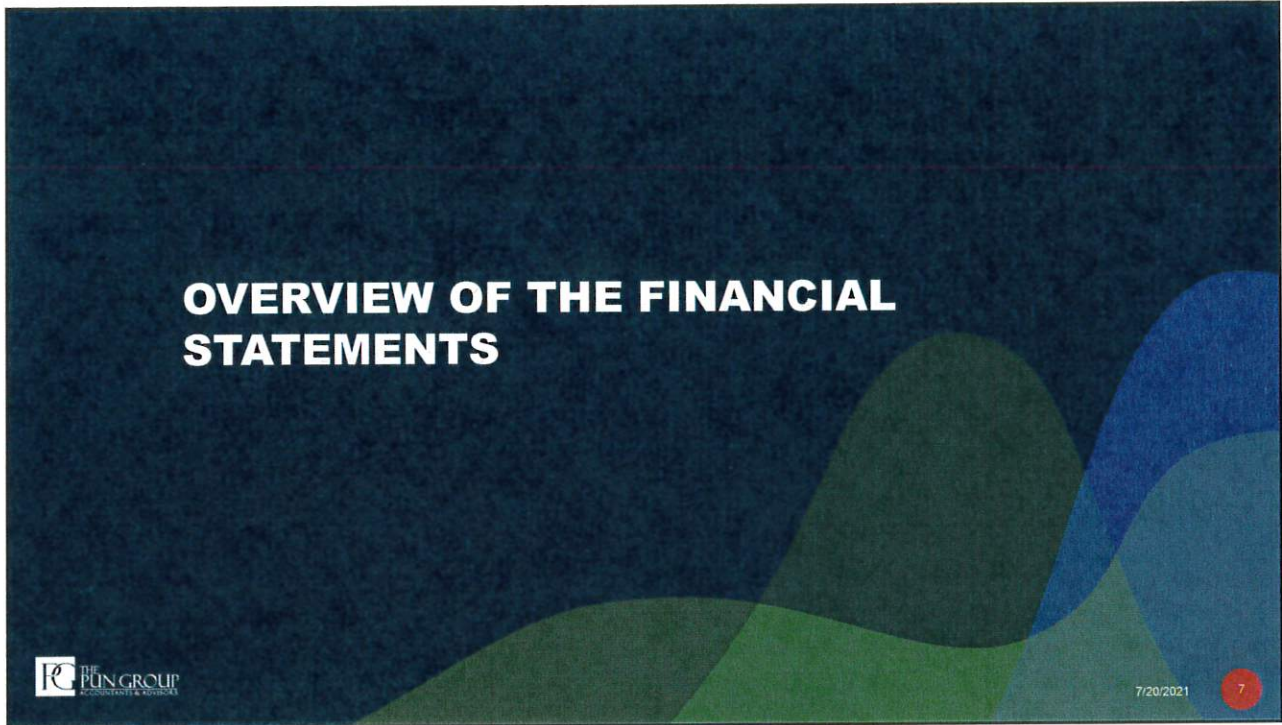
- Responsible for the Financial Statements
- Present the Financial Statements in accordance with Accounting Principles Generally Accepted in the United States of America
- Adopt sound accounting policies
- Establish, implement and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Prevent and detect fraud

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## AUDITORS' RESPONSIBILITIES

- Perform the audit in accordance with Auditing Standards Generally Accepted in the United States of America and Standards applicable to Financial Audits contained in *Government Auditing Standards*
- Communication with "Those Charged with Governance"
- Assess audit risk of internal control over financial reporting and compliance
- Determine fairness presentation of the financial statements
- Render an audit opinion on the financial statements and on Major Federal Programs
- Issue recommendations to Management, if any

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**City of South Gate  
Governmental Activities Summary  
As of June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Net Position:</b>			
Net investment in capital assets	\$ 235,345,000	\$ 237,924,000	\$ (2,579,000)
Restricted	38,447,000	39,988,000	(1,541,000)
Unrestricted (Deficit)	<u>(56,321,000)</u>	<u>(58,372,000)</u>	2,051,000
<b>Total Net Position</b>	<u>\$ 217,471,000</u>	<u>\$ 219,540,000</u>	<u>\$ (2,069,000)</u>

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City of South Gate  
Governmental Activities, Continued  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Program Revenues</b>	\$ 34,204,000	\$ 34,373,000	\$ (169,000)
<b>Expenses</b>	(79,663,000)	(74,226,000)	(5,437,000)
<b>Net Cost of Services</b>	(45,459,000)	(39,853,000)	(5,606,000)
<b>General Revenues</b>	43,102,000	45,993,000	(2,891,000)
<b>Transfers</b>	287,000	1,048,000	(761,000)
<b>Changes in Net Position</b>	\$ (2,070,000)	\$ 7,188,000	\$ (9,258,000)



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City of South Gate  
Governmental Activities  
Cost of Services to Tax Revenues  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Cost of Services</b>	\$ 45,459,000	\$ 39,853,000	\$ 5,606,000
<b>Tax Revenues</b>	40,463,000	43,222,000	(2,759,000)
<b>Ratio</b>	112%	92%	20%



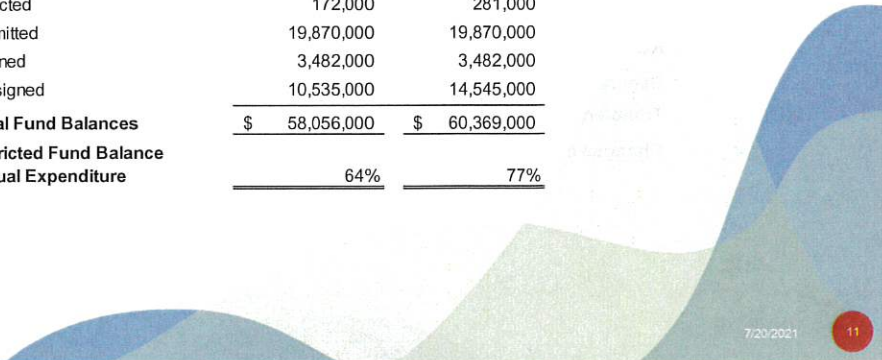
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**City of South Gate  
General Fund  
Balance Sheet  
As of June 30, 2020 and 2019**

	2020		2019
<b>Fund Balances:</b>			
Nonspendable	\$ 23,997,000		\$ 22,191,000
Restricted	172,000		281,000
Committed	19,870,000		19,870,000
Assigned	3,482,000		3,482,000
Unassigned	10,535,000		14,545,000
<b>Total Fund Balances</b>	<b>\$ 58,056,000</b>		<b>\$ 60,369,000</b>
<b>Unrestricted Fund Balance to Annual Expenditure</b>	<b>64%</b>		<b>77%</b>

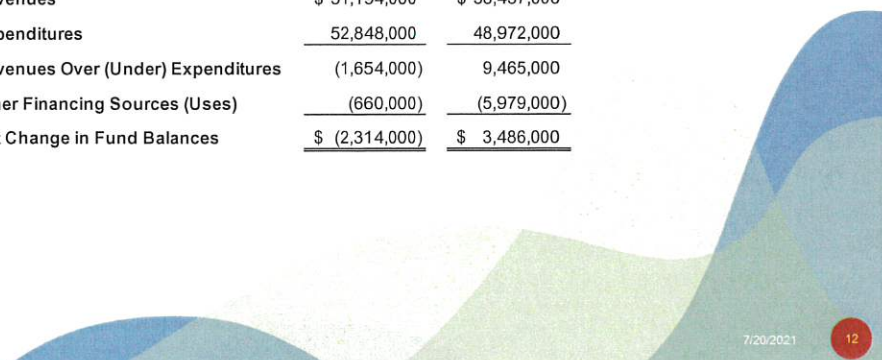




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**City of South Gate  
General Fund  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Years Ended June 30, 2020 and 2019**

	2020		2019
<b>Revenues</b>	<b>\$ 51,194,000</b>		<b>\$ 58,437,000</b>
<b>Expenditures</b>	52,848,000		48,972,000
<b>Revenues Over (Under) Expenditures</b>	(1,654,000)		9,465,000
<b>Other Financing Sources (Uses)</b>	(660,000)		(5,979,000)
<b>Net Change in Fund Balances</b>	<b>\$ (2,314,000)</b>		<b>\$ 3,486,000</b>




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**City of South Gate  
Business-type Activities Summary  
As of June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Net Position:</b>			
Net investment in capital assets	\$ 18,944,000	\$ 19,379,000	\$ (435,000)
Restricted	831,000	1,974,000	(1,143,000)
Unrestricted	<u>10,923,000</u>	<u>6,894,000</u>	<u>4,029,000</u>
<b>Total Net Position</b>	<b><u>\$ 30,698,000</u></b>	<b><u>\$ 28,247,000</u></b>	<b><u>\$ 2,451,000</u></b>



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**City of South Gate  
Business-type Activities, Continued  
For the Years Ended June 30, 2020 and 2019**

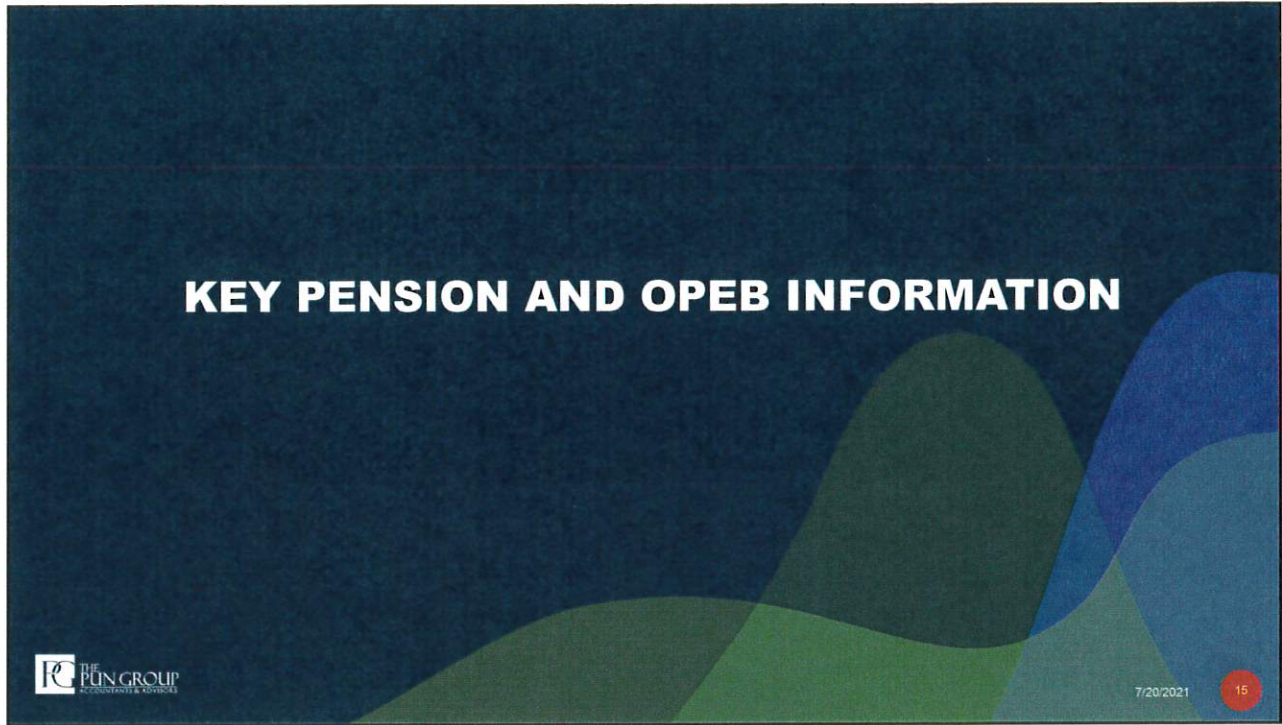
	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Program Revenues</b>	\$ 25,245,000	\$ 25,221,000	\$ 24,000
<b>Expenses</b>	<u>(20,544,000)</u>	<u>(18,990,000)</u>	<u>(1,554,000)</u>
<b>Net Cost of Services</b>	<u>4,701,000</u>	<u>6,231,000</u>	<u>(1,530,000)</u>
<b>General Revenues</b>	1,266,000	-	1,266,000
<b>Transfers</b>	<u>(287,000)</u>	<u>(1,048,000)</u>	<u>761,000</u>
<b>Changes in Net Position</b>	<b><u>\$ 5,680,000</u></b>	<b><u>\$ 5,183,000</u></b>	<b><u>\$ 497,000</u></b>



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**South Gate**  
**GASB 68 – Net Pension Liability**  
**For the Years Ended June 30, 2020 and 2019**  
**CalPERS Misc. Plan**

	<u>2020</u>	<u>2019</u>
<b>Plan Total Pension Liability</b>	\$ 165,670,000	\$ 159,161,000
<b>Plan Fiduciary Net Position</b>	128,336,000	121,711,000
<b>Net Pension Liability</b>	<u>\$ 37,334,000</u>	<u>\$ 37,450,000</u>
<b>Funding Ratio</b>	<u>77%</u>	<u>76%</u>
<b>Contribution Made</b>	<u>\$ 4,922,000</u>	<u>\$ 4,265,000</u>

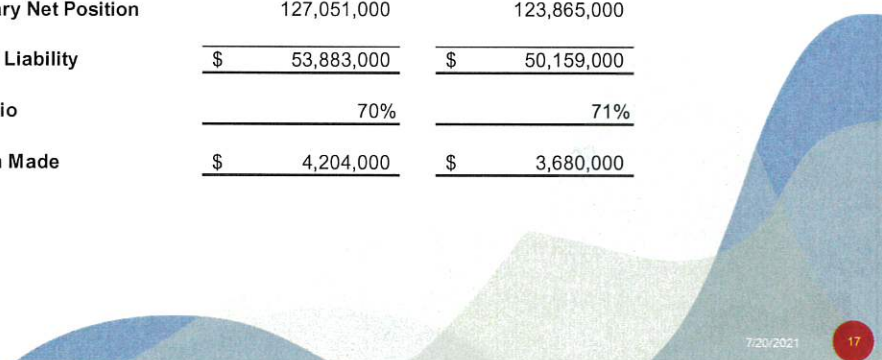

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**South Gate**  
**GASB 68 – Net Pension Liability**  
**For the Years Ended June 30, 2020 and 2019**  
**CalPERS Safety Plan**

	<u>2020</u>	<u>2019</u>
Plan Total Pension Liability	\$ 180,934,000	\$ 174,024,000
Plan Fiduciary Net Position	127,051,000	123,865,000
Net Pension Liability	<u>\$ 53,883,000</u>	<u>\$ 50,159,000</u>
Funding Ratio	<u>70%</u>	<u>71%</u>
Contribution Made	<u>\$ 4,204,000</u>	<u>\$ 3,680,000</u>

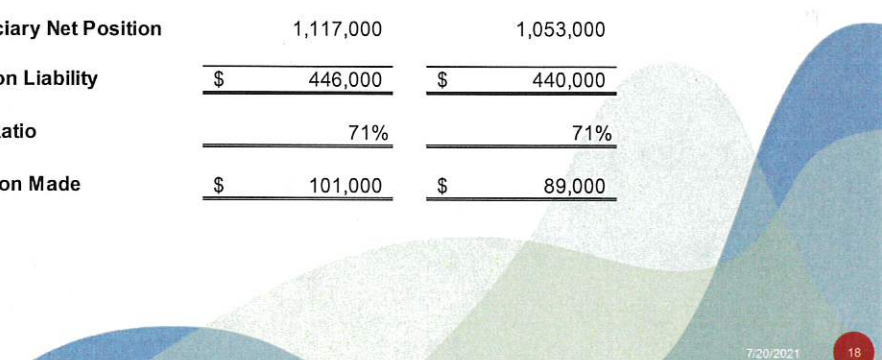



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**South Gate**  
**GASB 68 – Net Pension Liability**  
**For the Years Ended June 30, 2020 and 2019**  
**PARS Supplemental Plan**

	<u>2020</u>	<u>2019</u>
Plan Total Pension Liability	\$ 1,563,000	\$ 1,493,000
Plan Fiduciary Net Position	1,117,000	1,053,000
Net Pension Liability	<u>\$ 446,000</u>	<u>\$ 440,000</u>
Funding Ratio	<u>71%</u>	<u>71%</u>
Contribution Made	<u>\$ 101,000</u>	<u>\$ 89,000</u>




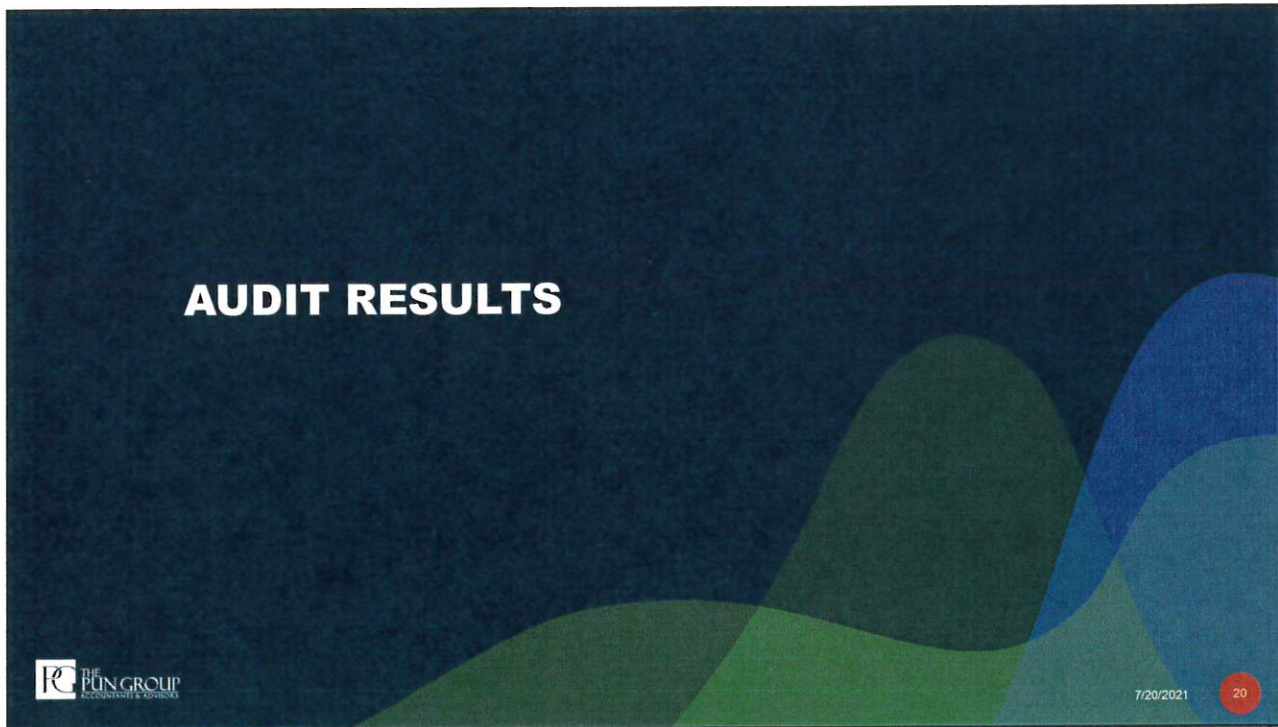
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**South Gate**  
**GASB 75 – Net Pension Liability**  
**For the Years Ended June 30, 2020 and 2019**  
**OPEB Plan**

	<u>2020</u>	<u>2019</u>
<b>Plan Total OPEB Liability</b>	\$ 25,111,000	\$ 31,063,000
<b>Plan Fiduciary Net Position</b>	-	-
<b>Net OPEB Liability</b>	<u>\$ 25,111,000</u>	<u>\$ 31,063,000</u>
<b>Funding Ratio</b>	<u>0%</u>	<u>0%</u>
<b>Contribution Made</b>	<u>\$ 903,000</u>	<u>\$ 834,000</u>

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# AUDIT RESULTS

- **Unmodified Opinion**
  - Financial statements are fairly presented in all material respects
  - Significant accounting policies have been consistently applied
  - Estimates are reasonable
  - Disclosures are properly reflected in the financial statements
  
- **Other Results**
  - No disagreements with management
  - No material weaknesses in internal controls were noted
  - No accounting issues
  - Finding 2020-001 – Delay in bank reconciliation and year-end closing



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**THE PUN GROUP**  
ACCOUNTANTS & ADVISORS

*Thank you*

<p><b>HQ - ORANGE COUNTY</b> 200 E. Sandpointe Avenue Suite 600 Santa Ana, CA 92707</p>	<p><b>SAN DIEGO</b> 4365 Executive Drive Suite 710 San Diego, CA 92121</p>	<p><b>BAY AREA</b> 2121 North California Blvd. Suite 290 Walnut Creek, CA 94596</p>	<p><b>LAS VEGAS</b> 1050 Indigo Drive Suite 110 Las Vegas, NV 89145</p>	<p><b>PHOENIX</b> 4742 North 24th Street Suite 300 Phoenix, AZ 85016</p>
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# CITY OF SOUTH GATE

CALIFORNIA

## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020







**City of South Gate  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2020**

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**City of South Gate**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

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**City of South Gate**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

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Department of Administrative Services

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June 30, 2021

Honorable Mayor and Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) of the City of South Gate for the Fiscal Year ended June 30, 2021, is hereby presented as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of South Gate issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of South Gate. To the best of our knowledge and belief, there are no misstatements of material fact within the financial statements or omissions of material fact which would cause the financial statements to be misleading. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial section of the CAFR includes Management's Discussion and Analysis (MD&A) of the financial activity. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of South Gate, as legally defined), as well as its component units, the South Gate Utility Authority, the South Gate Housing Authority and the South Gate Public Financing Authority. A component unit is a legally separate entity for which the primary government is financially accountable.

## **PROFILE OF THE CITY OF SOUTH GATE**

The City of South Gate was incorporated on January 20, 1923, under the general laws of the State of California. South Gate encompasses 7.41 square miles and is located in the heart of the Los Angeles Metropolitan area, approximately 10 miles south of downtown Los Angeles. Services provided by the City include administration, police, public works, planning, building & safety, and parks & recreation. The official population is 97,003 as of January 1, 2020. The City of South Gate is a full service city, meaning that, except for library, refuse collection and fire protection services, all services are delivered by the City's own employees.

The population of this working class city is predominately Latino and overwhelmingly young with 28% of the population under the age of 18 years.



Centrally located, South Gate is an ideal location for commerce within a 15-mile radius of downtown Los Angeles, Los Angeles International Airport, and the Ports of Los Angeles and Long Beach. The City is linked to these sites by several major transportation thoroughfares, including the I-710 (Long Beach) and I-105 (Century) freeways, Firestone and Alameda Boulevards, and an extensive rail system with services provided by the Union Pacific and Southern Pacific Railroads. With a diverse mix of residential, commercial and industrial areas, the City has promoted itself as an area rich in economic opportunities and continues to have many projects slated for development that will play a significant role in revitalizing the community.

The City has operated under the council-manager form of government since incorporation. Policy-making and legislative authority are vested in the governing City Council, which consists of five Council Members, including the Mayor and Vice Mayor. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager and the City Attorney. The City Council is elected on a non-partisan, at-large basis. Council Members are elected to four-year staggered terms with two or three Council Members elected every two years. Each year, the City Council selects the Mayor and Vice Mayor for a one-year term. 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 City's departments.

## **FINANCIAL INFORMATION**

### **Internal Control**

The Administrative Services department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Controls**

The City of South Gate maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the City Council. Activities of the General Fund, Special Revenue funds, Capital Projects funds, Debt Service funds and the Proprietary funds are included in the annual appropriated budgets of the government units. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within each fund. Formal budgetary integration is employed as a management control device. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control.

### **Budget to Actual Comparison**

For the fiscal year ended June 30, 2020, the City experienced a \$618K unfavorable budget variance in general fund revenues and a favorable \$2.4M budget variance in general fund operating

expenditures resulting in \$1.7M net positive budgetary variance. The total actual general fund operating expenditures exceeded revenues by \$1.7M. The City also transferred out \$660K to the Capital Improvement Fund to fund capital projects. The actual net deficit of \$2.3M, which includes transfers out, brought the prior fiscal year general fund balance from \$60.3M to \$58M for the fiscal year ended June 30, 2020. The unfavorable revenue variances were mainly due to the COVID-19 pandemic. COVID-19 related costs amounted to \$1M of the General Fund expenditures, while the reimbursement of these costs will not be received until FY20/21.

### **Significant Financial Events**

The Governmental Accounting Standards Board (GASB) is a private, non-governmental organization that creates accounting reporting standards, or generally accepted accounting principles (GAAP), for state and local governments. Changes in accounting policies issued by the Board, known as GASB Statements, will impact how the City reports and compiles its financial report.

In May 2020, GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The City implemented GASB Statement No. 95 and postponed the effective dates of the following GASB Statements that were originally scheduled to become effective after June 15, 2018 and later. This postponement affected the City mainly in the reporting of leases issued by *GASB Statement No. 87 – Leases*. Refer to Note 1 of the Notes to the Basic Financial Statements (page 55) for a full list of the affected GASB statements.

## **OTHER INFORMATION**

### **Independent Audit**

The City requires an annual audit by independent certified public accountants. The accounting firm of The Pun Group, LLP conducted this year's audit. The auditors' report on the government-wide financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

### **Single Audit**

As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. Beginning with the single audit of fiscal years beginning on or after January 1, 2015, the U. S. Office of Management and Budget (OMB) raised the single audit threshold for federal awards from \$500,000 to \$750,000. When over \$750,000 from Federal financial assistance programs is expended in any one fiscal year, the City is required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). For the year ended June 30, 2020, approximately \$7M in Federal financial assistance program funds were expended.



## **GFOA Certificate of Achievement Award**

The Government Finance Officers Association of the United States and Canada (GFOA) oversees a prestigious national award program to recognize conformance with the highest standards of report preparation. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Gate for its CAFR for the fiscal year ended June 30, 2019. The City of South Gate strives to achieve this prestigious award each year. A copy of the GFOA Certificate is included later in the introductory section of this year's CAFR. A Certificate of Achievement is valid for a period of one year only. We believe our June 30, 2020 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

The preparation of this report could not have been accomplished without the hard work and dedicated service of the Finance Division staff. We would like to express our appreciation to all members of the Finance Division and to The Pun Group, LLP, the City's independent auditors, for their expertise, guidance, assistance and professionalism in preparing this year's report. Finally, we would like to express our sincere thanks to the City Council, whose strong and effective leadership and continuous support has made the preparation of this report possible.

Respectfully submitted,



Chris Jeffers  
Interim City Manager



Kim Sao  
Deputy Director of Administrative  
Services/Finance

**CITY OF SOUTH GATE  
ELECTED AND ADMINISTRATIVE OFFICIALS**

Mayor

Maria Davila

Vice Mayor

Al Rios

Councilmember

Maria del Pilar Avalos

Councilmember

Denise Diaz

Councilmember

Gil Hurtado

City Clerk

Carmen Avalos

City Treasurer

Gregory Martinez

City Manager

Michael Flad

City Attorney

Raul Salinas

Assistant City Manager/Director of Public Works

Arturo Cervantes

Police Chief

Randall J. Davis

Director of Administrative Services

Jackie Acosta

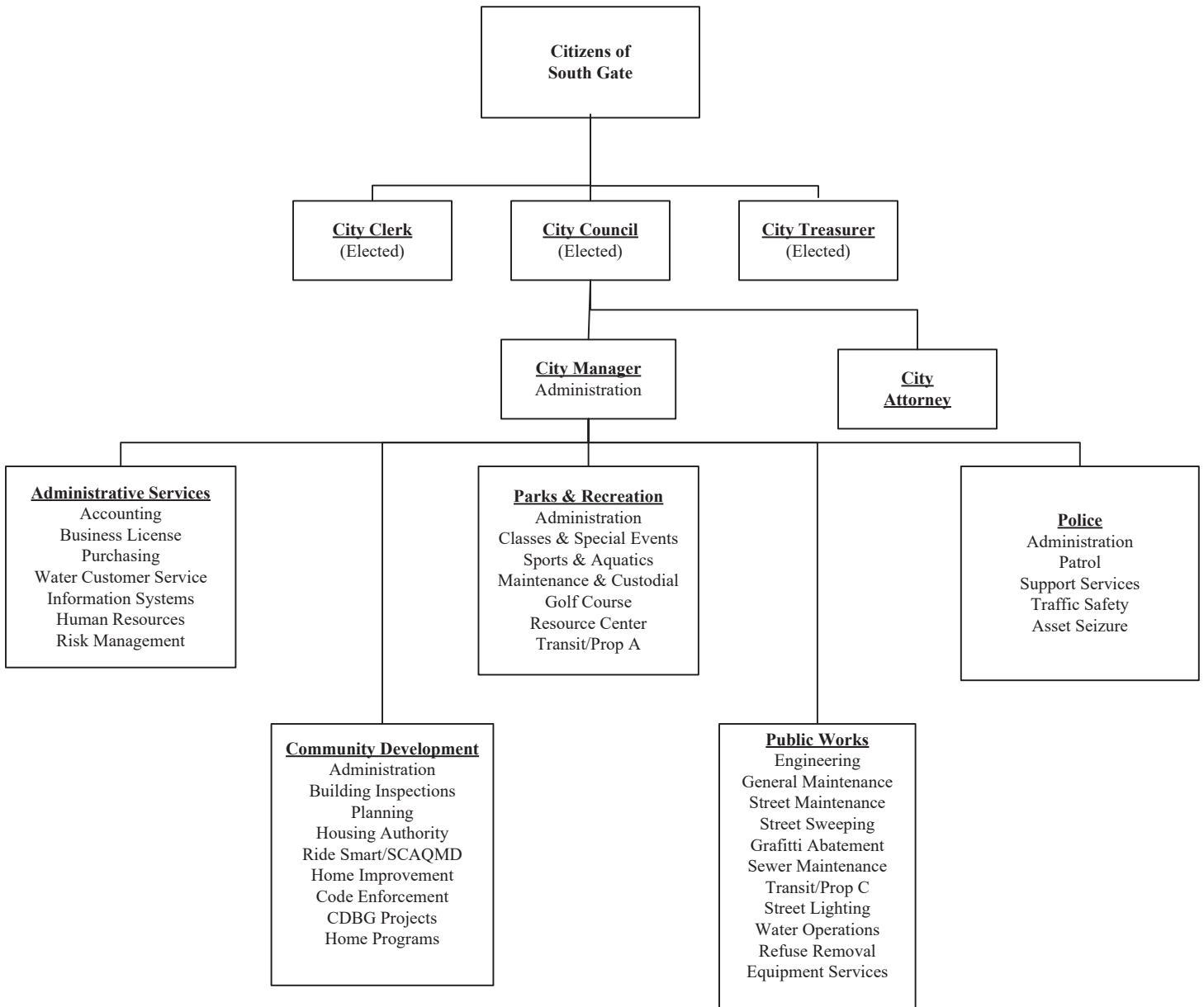
Director of Community Development

Joseph T. Perez

Director of Parks & Recreation

Paul Adams

# CITY OF SOUTH GATE





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of South Gate  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
of the City of South Gate  
South Gate, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of South Gate, California (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of the City Council  
of the City of South Gate  
South Gate, California  
Page 2

***Emphasis of Matter***

*Prior period adjustments*

As discussed in Note 19 to the basic financial statements, the City recorded a prior period adjustment related to allocation of net other postemployment benefits liability and related deferred outflows and inflows of resources from the governmental activities to the business-type activities in the amount of \$3,168,966. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, and Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions - Other Postemployment Benefits on pages 5 to 14 and 99 to 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, the Combining and Individual Nonmajor Fund Financial Statements, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and the Statistical Sections have 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 them.

To the Honorable Mayor and Members of the City Council  
of the City of South Gate  
South Gate, California  
Page 3

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Santa Ana, California  
June 30, 2021



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**City of South Gate**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended June 30, 2020**

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The following discussion and analysis of the financial performance of the City of South Gate provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the financial statements identified in the accompanying table of contents.

**Financial Highlights**

**Government-wide Financial Statements**

- **Net Position:** The total assets and deferred outflows of the City of South Gate exceeded total liabilities and deferred inflows at the close of the fiscal year ended June 30, 2020, by \$248.2M. This amount is referred to as the net position of the City. Of this amount, \$254.3M is invested in capital assets, \$39.3M is restricted for public works, housing activities, community development projects, public safety and debt service, and \$45.4M is an unrestricted deficit amount.
- **Changes in Net Position:** The City's net position increased by \$3.6M (1.5%) from the prior fiscal year compared to the increase of \$12.4M the year before. Due to the COVID-19 pandemic, total revenues decreased by \$2.8M (-2.7%), while total expenditures increased by \$6.0M (6.3%).
- **Long-Term Debt:** The City's total long-term liabilities decreased \$11.7M (6.2%) as of June 30, 2020, from \$188.7M to \$177.0M mainly from reductions in net OPEB liability, water revenue and pension obligation bonds, claims and adjustments, and notes payable. Although payments were made to reduce certain liabilities, the pension liability increased by \$3.6M.
- **Capital Assets:** The City's capital assets totaled \$287.1M at June 30, 2020, a net decrease of \$4.0M over the prior year amount. The increase is due mainly to additions of capital improvement projects of \$7.12M and equipment of \$606K, less depreciation of \$11.5M.

**Fund Financial Statements**

- **Governmental Funds:** As of June 30, 2020, the City's governmental funds reported a combined ending fund balance of \$96.7M, with an increase of \$1.5M (1.6%) over the prior year's fund balance.
- **General Fund:** At June 30, 2020, expenditures and transfers-out exceeded revenues and transfers-in by \$2.3M, decreasing the fund balance from \$60.4M to \$58.1M. Of the \$58.1M fund balance, \$10.5M is unassigned and is available for spending at the City's discretion.

**Using the Accompanying Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City of South Gate as a whole and present a longer-term view of the City's finances. Also included in the accompanying reports are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of others outside of the government.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements themselves.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

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**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of South Gate's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of South Gate's assets (including deferred outflows of resources) and liabilities (including deferred inflows of resources), with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Gate is improving or deteriorating.

The *statement of activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both statements include not only the City of South Gate itself (known as the *primary government*) but also the South Gate Utility Authority, the South Gate Housing Authority and the South Gate Public Financing Authority, for which the City of South Gate is financially accountable. Financial information on these *component units* is reported separately from the financial information presented for the primary government itself.

After the dissolution of the South Gate Community Development Commission (Redevelopment Agency), the City of South Gate elected to become the Successor Agency for the former Community Development Commission and the remaining assets and activities of the dissolved redevelopment agency were reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Gate, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Gate can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **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* basis of accounting, 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* are described in the reconciliation at the bottom of the fund financial statements.
- **Proprietary funds.** When the City charges customers for the services it provides – whether to outside customers or to other units of the City – 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 (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary funds.** The City of South Gate 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 a separate Statement of Fiduciary Assets. These activities are excluded from the other 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.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 45 immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this comprehensive annual financial report also presents certain *required supplementary information*, providing budgetary comparison schedules for budgeted versus actual revenues and expenditures of the City's major funds.

The combining statements referred to earlier in connection with the non-major governmental funds and internal service funds are presented immediately following the required supplementary information on budget comparisons.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For South Gate, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$248.2M at June 30, 2020, as shown in Table 1.

**Table 1**  
**Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 122,459,349	\$ 122,046,349	\$ 25,829,128	\$ 21,824,948	\$ 148,288,477	\$ 143,871,297
Capital assets	236,928,860	239,220,784	50,198,292	51,937,538	287,127,152	291,158,322
<b>Total assets</b>	<b>359,388,209</b>	<b>361,267,133</b>	<b>76,027,420</b>	<b>73,762,486</b>	<b>435,415,629</b>	<b>435,029,619</b>
Deferred Outflows	16,211,612	18,267,022	1,883,655	1,046,572	18,095,267	19,313,594
<b>Total Deferred Outflows</b>	<b>16,211,612</b>	<b>18,267,022</b>	<b>1,883,655</b>	<b>1,046,572</b>	<b>18,095,267</b>	<b>19,313,594</b>
Long-term debt outstanding	132,390,824	143,314,694	38,918,287	40,443,335	171,309,111	183,758,029
Other liabilities	13,231,301	13,042,397	7,293,251	6,037,771	20,524,552	19,080,168
<b>Total liabilities</b>	<b>145,622,125</b>	<b>156,357,091</b>	<b>46,211,538</b>	<b>46,481,106</b>	<b>191,833,663</b>	<b>202,838,197</b>
Deferred Inflows	12,507,245	6,866,146	1,001,664	81,037	13,508,909	6,947,183
<b>Total Deferred Inflows of Resources</b>	<b>12,507,245</b>	<b>6,866,146</b>	<b>1,001,664</b>	<b>81,037</b>	<b>13,508,909</b>	<b>6,947,183</b>
Net position:						
Net investment in capital assets	235,344,518	237,923,691	18,943,611	19,378,936	254,288,129	257,302,627
Restricted	38,446,753	39,988,103	831,423	(1,255,403)	39,278,176	38,732,700
Unrestricted (deficit)	(56,320,820)	(58,371,739)	10,922,839	6,894,245	(45,397,981)	(51,477,494)
<b>Total net position</b>	<b>\$ 217,470,451</b>	<b>\$ 219,540,055</b>	<b>\$ 30,697,873</b>	<b>\$ 25,017,778</b>	<b>\$ 248,168,324</b>	<b>\$ 244,557,833</b>

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) of \$254.3M, less any related debt used to acquire those assets that is still outstanding. The City of South Gate uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another portion of the City's net position, \$39.3M, represents resources that are subject to external restrictions in how they may be used. The remaining deficit balance of \$45.4M is \$6.1M less than it was in FY 2018/19 which is another indication that things are trending in the right direction.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

In the prior years, all net OPEB liabilities were recorded under the Governmental activities; however, some of these liabilities were attributed to the Proprietary Funds. Therefore, at June 30, 2020, a correction was made to move \$2.6M to the Utility Authority Enterprise Fund, \$610K to the Utility Authority Sewer Fund, and \$998K to the Internal Service Funds. This resulted in a \$3.2M increase to the Governmental net position and a decrease of the same amount to the Business-Type net position. Additional information can be found in Notes 19 of the Notes to the Basic Financial Statements of this report.

**Table 2**  
**Statement of Changes in Net Position**

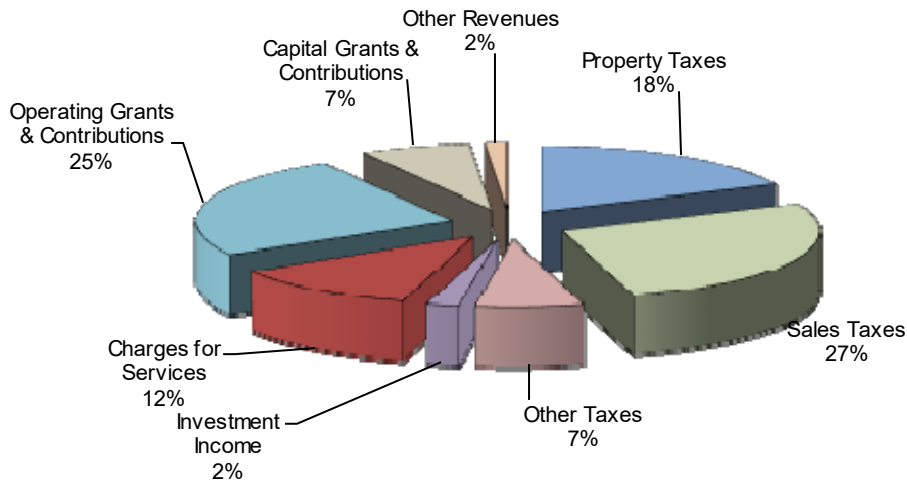
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9,348,553	\$ 9,598,058	\$ 25,196,699	\$ 25,151,793	\$ 34,545,252	\$ 34,749,851
Operating grants and contributions	19,485,392	16,278,389	48,671	68,850	19,534,063	16,347,239
Capital grants and contributions	5,369,929	8,496,079	-	-	5,369,929	8,496,079
General revenues:						
Property taxes	14,078,869	15,357,852	-	-	14,078,869	15,357,852
Sales taxes	21,162,524	22,560,623	-	-	21,162,524	22,560,623
Other taxes	5,222,024	5,303,304	-	-	5,222,024	5,303,304
Investment income	1,574,858	2,531,566	1,266,484	1,026,304	2,841,342	3,557,870
Other revenues	1,063,793	240,031	-	-	1,063,793	240,031
<b>Total revenues</b>	<b>77,305,942</b>	<b>80,365,902</b>	<b>26,511,854</b>	<b>26,246,947</b>	<b>103,817,796</b>	<b>106,612,849</b>
<b>Program expenses</b>						
General government	7,238,434	7,567,891	-	-	7,238,434	7,567,891
Public works	18,790,068	18,881,880	-	-	18,790,068	18,881,880
Parks & recreation	8,761,785	8,494,815	-	-	8,761,785	8,494,815
Police	32,658,124	27,451,143	-	-	32,658,124	27,451,143
Community development	11,681,154	11,033,297	-	-	11,681,154	11,033,297
Interest expense	533,290	796,726	-	-	533,290	796,726
Sewer	-	-	1,330,302	1,527,889	1,330,302	1,527,889
Water	-	-	15,170,900	14,519,230	15,170,900	14,519,230
Refuse	-	-	4,043,248	3,968,933	4,043,248	3,968,933
<b>Total expenses</b>	<b>79,662,855</b>	<b>74,225,752</b>	<b>20,544,450</b>	<b>20,016,052</b>	<b>100,207,305</b>	<b>94,241,804</b>
Transfers	287,309	1,048,492	(287,309)	(1,048,492)	-	-
<b>Changes in Net Position</b>	<b>(2,069,604)</b>	<b>7,188,642</b>	<b>5,680,095</b>	<b>5,182,403</b>	<b>3,610,491</b>	<b>12,371,045</b>
Beginning net position, restated	219,540,055	212,351,413	25,017,778	19,835,375	244,557,833	232,186,788
<b>Ending net position, restated</b>	<b>\$ 217,470,451</b>	<b>\$ 219,540,055</b>	<b>\$ 30,697,873</b>	<b>\$ 25,017,778</b>	<b>\$ 248,168,324</b>	<b>\$ 244,557,833</b>

**Governmental Activities.** The net position of governmental activities decreased by \$2.1M at June 30, 2020. Program revenues, which had a positive change of \$4.9M (16.5%) at 6/30/2019, had a negative change of \$169K this year with an \$81K (0.33%) decrease in grants & contributions and a \$250K (2.6%) decrease in charges for services. This slight decrease was due to the impact of the COVID-19 pandemic which began during the latter part of the fiscal year in March 2019, whereas the lockdown imposed by the State resulted in the closing of City facilities and Parks and Recreation activities. Likewise, the pandemic impacted the FY 2019/20 general revenues, which decreased by \$2.9M (6.3%) over the prior year. The specific revenues with the largest decreases that were part of the overall \$2.9M decrease were sales taxes, down by \$1.4M (6.2%), property taxes, down by \$1.3M (8.3%), and investment income, down by \$957K (37.8%). Overall, total revenues in Governmental Activities decreased by 3.8%, from \$80.4M in FY 2018/19 to \$77.3M in FY 2019/20. Total program expenses increased by \$5.4M (7.3%), from \$74.2M in FY 2018/19 to \$79.7M in FY 2019/20 due mainly to the increased cost of public safety of \$5.2M.

**City of South Gate**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

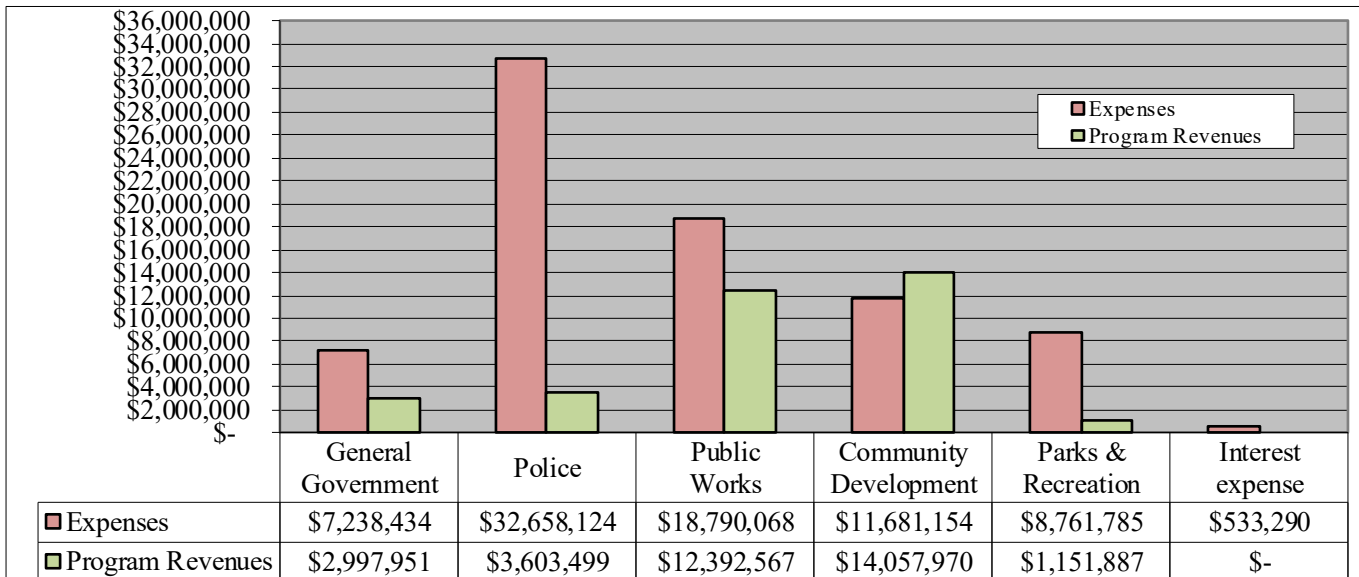
The City of South Gate relies heavily on federal, state and local grant funds (32.2%) as a major funding source for capital projects and eligible operating costs. After grants, sales tax (27.4%), property taxes (18.2%) and charges for services (12.1%) remain the most significant sources of the Governmental Activities revenue stream.

**Revenues by Source – Governmental Activities**



The cost of all governmental activities this year was \$79.7M compared to \$74.2M in the prior year. Governmental activities generated sufficient revenues to pay these costs with \$9.3M paid for by those who directly benefited from programs provided, \$24.9 being subsidized by grants received from other governmental organizations for both capital and operating activities, and \$43.7M coming from general taxes and other revenues.

**Expenses and Program Revenues – Governmental Activities**



The City’s largest expense is the Police Department, where operations totaled \$32.7M in FY 2019-20. Public Works followed with \$18.8M of expenses, which included expenses related to several large capital improvement projects. Community Development was the third largest in expenses, at \$11.7M, which included Federal Housing and Urban Development (HUD) funds.

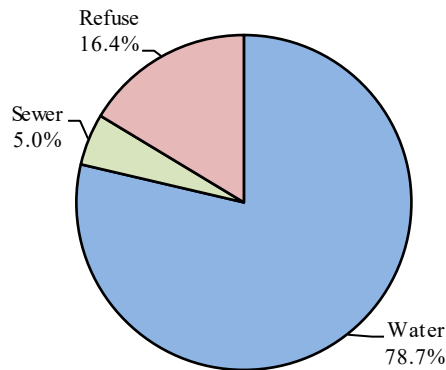
**City of South Gate**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

**Business-Type Activities.** At June 30, 2020, the financial condition of the City’s business-type activities was a positive net position of \$30.7M, a \$5.7M increase from \$25.0M restated beginning net position. The restatement of beginning net position at July 1, 2019 was in the total amount of \$3.2M, and was related to the reclassification of net other postemployment benefits liability (OPEB) which were previously reported in the Governmental Activities statement.

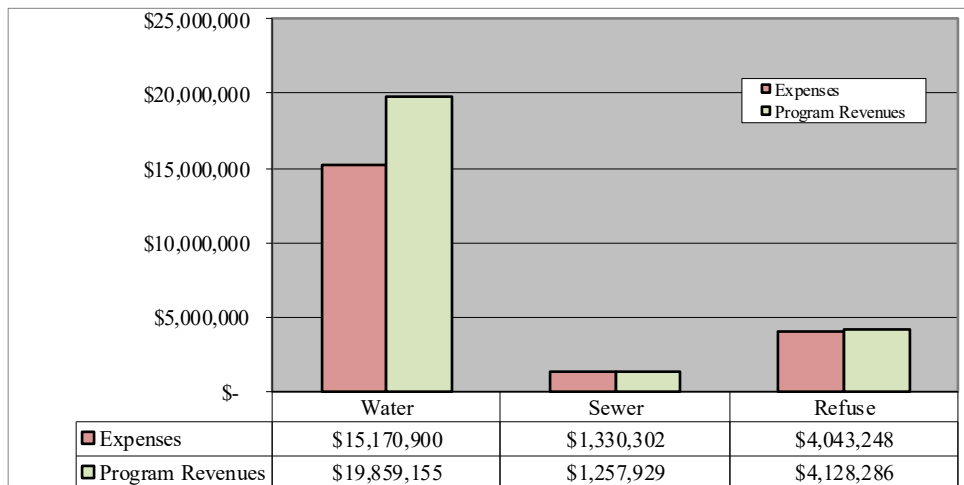
These business-type activities consisted of the water, sewer and refuse utilities. The cost of providing all business-type activities this year was \$20.5M. The revenue paid by users of these utilities was \$25.2M of which 78.7% comes from water fees, 16.4% from refuse fees and 5.0% from sewer fees. When capital improvements are made, the assets are capitalized and no expenses are incurred even though current assets have been converted to long-term capital assets.

The water utility generates an excess of revenues over expenses in an effort to maintain a reasonable reserve for capital improvements and debt service requirements.

**Revenues by Source – Business-Type Activities**



**Expenses and Program Revenues – Business-Type Activities**



**Financial Analysis of the City’s Funds**

As noted earlier, the City of South Gate uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

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

As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$96.7M, an increase of \$1.5M from the beginning fund balance. Of that amount, \$24.0M constitutes *nonspendable* fund balance. Of the remaining \$72.7M *spendable* fund balance, \$39.1M is *restricted* because it is subject to external enforceable legal obligations, \$23.9M is *committed* for such things as an emergency reserve, the employment resource center, a budget stabilization fund, an OPEB Section 115 trust, a revolving loan program, and capital projects, \$3.5M has been *assigned* by management for specific purposes, and \$6.2M is *unassigned* and can be spent at the City's discretion.

The General Fund is the chief operating fund of the City of South Gate. As of the end of the fiscal year, the total general fund balance was \$58.1M, a decrease of \$2.3M over the beginning fund balance. The unassigned fund balance totaled \$10.5M.

General fund revenues increased by \$455K (0.88%) over the prior year. For FY 2019/20, operating expenditures exceeded revenues by \$1.7M.

The Capital Improvement Projects Fund accounts for most of the capital improvement activity in the City, such as buildings and street infrastructure. Capital expenditures are charged directly to this fund and reimbursed with transfers from other funds as these funds are received from the various funding sources, primarily grants. The total fund balance of \$4.0M at June 30, 2020, is designated mainly for the Courthouse rehabilitation project, which envisions the reuse of this building for an employment resource center.

The other non-major governmental funds include several special revenue funds used exclusively to account for intergovernmental and assessment proceeds which are restricted by law as to their use. This group of funds includes the Community Development Block Grant, HOME Program, Housing Successor, Gas Tax, Asset Forfeiture, Prop A and C Local Returns, Measure R, Measure M, Street Lighting & Landscaping, and various other grant funds.

**Proprietary Funds:** The City's proprietary funds consist of the Water, Sewer and Refuse Funds, which are the business-type activities that account for the operation of those utilities. Also included are the internal service funds, which provide for supporting governmental activities including insurance activities, information systems, fleet management, capital asset & equipment replacement, and building & infrastructure maintenance.

For FY 2019/20, the City restated the July 1, 2019 beginning fund balance of the Water and Sewer Funds. The restatement decreased the prior year's original reported fund balance from \$28.2M to \$25.0M resulting from a reclassification to move \$3.2M OPEB liability from the General Fund to the Water Fund of \$2.6M and the Sewer Fund of \$610K. Additional information can be found in Notes 19 of the Notes to the Basic Financial Statements of this report.

In the business-type activities, the Water and Sewer Funds are considered major funds. The Refuse Fund is considered non-major. At fiscal year end, the combined net position of these funds totaled \$30.7M, an increase of \$5.7M (23.7%) from the restated beginning fund balance mainly as a result of revenues exceeding expenses. Resources used for the construction of capital facilities do not result in expenses because the assets are capitalized.

The internal service funds are considered non-major. The City restated the July 1, 2019 beginning fund balance of the internal service fund resulting in a decreased of the prior year's original report fund balance from \$3.6M to \$2.6M to reclassify \$998K OPEB liability from the General Fund to the various Internal Service funds. The net position increased by \$2.1M from the restated \$2.6M beginning fund balance to \$4.6M at June 30, 2020, as a result of a significant adjustment to the reserve for liability claims.



**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

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**General Fund Budgetary Highlights**

For many years, the City's General Fund revenues had not kept pace with increases in expenditures. In June 2008, the voters approved a one-cent local sales tax, which was implemented in October 2008. The additional revenue generated from this action was expected to eliminate future budget deficits. Due to the Great Recession of 2008/09 and the slow recovery from it, this measure only slightly reduced the structural deficit. To close this ongoing structural gap, the City implemented a ten percent (10%) compensation reduction for all employees in fiscal year 2009/10, staff reductions and an early retirement incentive program for fiscal year 2010/11. The economy later improved. Major shopping centers, such as the azalea, opened and contributed to bringing the City's General Fund back to a fiscally sound position beginning in FY 2014/15.

**COVID-19 Pandemic**

The economy began to take another downturn in early 2020 due to a world-wide outbreak of the coronavirus disease (COVID-19). The United States declared a public emergency on February 3, 2020 due to the coronavirus outbreak and then on March 13, 2020, declared a national emergency after the World Health Organization declared COVID-19 a pandemic. California also declared its state of emergency on March 4, 2020. This series of events unlocked billions of federal and state funding to fight the spread of the disease. As local counties and cities took actions to comply with California's shelter-in-place order, which took effect March 19, 2020, the economy at the local level began to feel the impact.

For FY 2019/20, the final adopted general fund revenue budget was \$51.8M. The actual revenues came in \$618K (1.2%) less than projected at \$51.2M. Due to the lockdown order, local businesses suffered and sales tax revenue decreased by \$1.4M (6.2%) from prior year and business license revenue decreased by \$164K (10%). While property taxes increased by \$743K (5.6%), real estate transfer tax decreased by 11.1% from \$136K to \$121K, indicating the slowdown in real estate activities. Charges for services were down by \$771K due to the closing of City facilities, which impacted mainly parks and recreation activities. Total actual expenditures came in at \$52.9M, which is \$2.4M (4.2%) lower than the final projected expenditure budget of \$55.2M due to staff vacancies impacted by the lockdown and strong fiscal management. COVID-19 related expenditures of \$1.0M, made up 1.9% of the total General Fund expenditures; however, this cost was covered by the \$1.2M CARES Act allocation from the State which was received in the following fiscal year FY2020/21.

**Capital Asset and Debt Administration**

Capital Assets: The capital assets of the City are those that are used in the performance of City functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. As of June 30, 2020, the City's net investment in capital assets for governmental activities totaled \$236.9M and net investment in capital assets for business-type activities totaled \$50.2M. Governmental capital assets had a net decreased of \$2.3M mainly due to the addition of \$6.9M in new construction in progress and \$.6M of new equipment, less depreciation of \$9.9M. Business-type capital assets decreased by \$1.7M with additions to construction in progress and equipment of \$347K reduced by accumulated depreciation of \$2.1M.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

**City of South Gate Capital Assets**  
**(Net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Structures and improvements	11,370,775	12,148,632	2,696,726	2,793,434	14,067,501	14,942,066
Machinery and equipment	2,129,481	2,382,917	1,740,821	1,994,835	3,870,302	4,377,752
Infrastructure	198,410,054	183,983,068	-	-	198,410,054	183,983,068
Utility distribution system			41,747,543	29,858,310	41,747,543	29,858,310
Land	3,738,993	3,738,993	1,290,602	1,290,602	5,029,595	5,029,595
Construction in progress	21,279,557	36,967,174	789,456	14,067,213	22,069,013	51,034,387
Water rights	-	-	1,933,144	1,933,144	1,933,144	1,933,144
<b>Total</b>	<b>\$236,928,860</b>	<b>\$239,220,784</b>	<b>\$50,198,292</b>	<b>\$51,937,538</b>	<b>\$287,127,152</b>	<b>\$291,158,322</b>

Additional information on the City's capital assets can be found in Note 7 of the Notes to the Basic Financial Statements of this report.

**Long-Term Debt.** At the end of the fiscal year, the City of South Gate had total long-term outstanding debt of \$177.0M. This amount represents a decrease over the prior year of \$11.7M due to the reduction of revenue and pension obligation bonds of \$1.3M, notes payable of \$310K, and purchasing lease of \$248K.

**City of South Gate Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ -	\$ -	\$32,397,575	\$36,749,919	\$32,397,575	\$36,749,919
Pension obligation bonds	12,800,000	14,055,000	-	-	12,800,000	14,055,000
Financing agreements	738,953	987,093	-	-	738,953	987,093
Notes/loans payable	-	310,000	-	-	-	310,000
Claims and judgments	8,789,673	11,285,126	-	-	8,789,673	11,285,126
Compensated Absences	5,098,868	5,788,467	430,843	393,986	5,529,711	6,182,453
Net OPEB liability	22,513,995	27,833,972	2,596,912	3,229,137	25,110,907	31,063,109
Net pension liability	86,449,654	83,023,528	5,213,608	5,024,851	91,663,262	88,048,379
<b>Total</b>	<b>\$136,391,143</b>	<b>\$143,283,186</b>	<b>\$40,638,938</b>	<b>\$45,397,893</b>	<b>\$177,030,081</b>	<b>\$188,681,079</b>

Additional information on the City's long-term debt can be found in Note 8 of the Notes to the Basic Financial Statements of this report.

**Economic Factors and Next Year's Budget**

The FY 2019/20 General Fund adopted budget projected operating revenues of \$51,582,663 and operating expenditures of \$53,973,958, leaving an operating shortfall of \$2,391,295. This operating shortfall was covered with some one-time funds (the recovery of attorney fees negotiated by the City Attorney's Office as part of a legal settlement) and funds from the Budget/CalPERS Stabilization account, which had a balance of \$6M. At the end of the fiscal year June 30, 2020, the actual shortfall was \$2,314,117.

**City of South Gate**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**Year Ended June 30, 2020**

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For FY 2020/21, the City adopted a Maintenance of Effort Budget, which was essentially a repeat of the FY 2019/20 Municipal Budget, with only a net \$900K increase, which was due to previously-negotiated salary step increases, contractually required CalPERS retirement and health insurance cost increases and a few previously-negotiated contracted services increases. When preparing the City's budget for fiscal year 2020/21, the following revenue and expenditure decreases/increases were made:

- General Fund revenues, in total, were projected to decrease below FY 2019/20 adopted revenues by \$3.6M, or 7%. This was due to projected decreases of \$3.8M in sales tax revenues and \$400K in recreation revenues, both as a result of the COVID-19 pandemic. However, some revenues, such as permits and interest income, were not expected to be impacted by the pandemic and were projected to increase in FY 2020/21.
- No employee salary increases were approved for FY 2020/21, however some employees were due their normal salary step increases. CalPERS normal costs and payments towards the Unfunded Actuarial Liability (UAL) increased and were included in the General Fund budget. Overall, the FY 2020/21 budget only increased by \$965K, or 1.8%, over the FY 2019/20 adopted budget.

As a result, General Fund operating revenues were estimated at \$47,555,355, while operating expenditures were budgeted at \$54,522,822, resulting in an operating shortfall of \$6,967,467. The operating shortfall was to be covered with funds from the budget stabilization fund, which had a balance of \$6M, and the unassigned fund balance which has over \$10M.

**Requests for Information**

This comprehensive annual financial report (CAFR) is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's transparency and accountability for the money it receives and expends. If you have questions about this report or need additional financial information, please contact Kim Sao, Deputy Director of Administrative Services/Finance, by phone at (323) 563-9522, by e-mail at [ksao@sogate.org](mailto:ksao@sogate.org) or by mail at 8650 California Avenue, South Gate, California 90280.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of South Gate**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 73,110,100	\$ 42,553,520	\$ 115,663,620
Receivables:			
Accounts	1,485,537	4,272,971	5,758,508
Accrued interest	307,321	154,435	461,756
Settlements	76,712	-	76,712
Internal balances	21,983,221	(21,983,221)	-
Advance to Successor Agency	-	-	-
Prepaid items	39,777	-	39,777
Prepaid bond insurance	-	-	-
Due from other governments	10,504,661	-	10,504,661
Inventories	181,678	-	181,678
Property held for resale	4,950,000	-	4,950,000
<b>Total current assets</b>	<b>112,639,007</b>	<b>24,997,705</b>	<b>137,636,712</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments with fiscal agent	173,881	831,423	1,005,304
Notes and loans receivables	9,646,461	-	9,646,461
Capital assets:			
Non-depreciable capital assets	25,018,550	4,013,202	29,031,752
Depreciable capital assets, net	211,910,310	46,185,090	258,095,400
<b>Total capital assets</b>	<b>236,928,860</b>	<b>50,198,292</b>	<b>287,127,152</b>
<b>Total noncurrent assets</b>	<b>246,749,202</b>	<b>51,029,715</b>	<b>297,778,917</b>
<b>Total assets</b>	<b>359,388,209</b>	<b>76,027,420</b>	<b>435,415,629</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding of debt	-	1,158,019	1,158,019
Deferred outflows of resources related to pensions	15,278,886	618,050	15,896,936
Deferred outflows of resources related to OPEB	932,726	107,586	1,040,312
<b>Total deferred outflows of resources</b>	<b>16,211,612</b>	<b>1,883,655</b>	<b>18,095,267</b>

**City of South Gate**  
**Statement of Net Position (Continued)**  
**June 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 3,990,660	\$ 1,566,902	\$ 5,557,562
Accrued liabilities	869,329	71,862	941,191
Retention payable	845,389	15,125	860,514
Accrued interest	57,493	222,841	280,334
Unearned revenue	675,811	99,679	775,490
Deposits payable	2,781,336	3,596,191	6,377,527
Due to other governments	10,964	-	10,964
Compensated absences - due within one year	429,616	36,302	465,918
Claims payable - due within one year	2,015,049	-	2,015,049
Long-term debt - due within one year	1,555,654	1,684,349	3,240,003
<b>Total current liabilities</b>	<b>13,231,301</b>	<b>7,293,251</b>	<b>20,524,552</b>
<b>Noncurrent liabilities:</b>			
Compensated absences - due in more than one year	4,669,252	394,541	5,063,793
Claims payable - due in more than one year	6,774,624	-	6,774,624
Long-term debt - due in more than one year	11,983,299	30,713,226	42,696,525
Aggregate net pension liability	86,449,654	5,213,608	91,663,262
Total other postemployment benefits liability	22,513,995	2,596,912	25,110,907
<b>Total noncurrent liabilities</b>	<b>132,390,824</b>	<b>38,918,287</b>	<b>171,309,111</b>
<b>Total liabilities</b>	<b>145,622,125</b>	<b>46,211,538</b>	<b>191,833,663</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	5,640,484	209,606	5,850,090
Deferred inflows of resources related to OPEB	6,866,761	792,058	7,658,819
<b>Total deferred inflows of resources</b>	<b>12,507,245</b>	<b>1,001,664</b>	<b>13,508,909</b>
<b>NET POSITION</b>			
Net investment in capital assets	235,344,518	18,943,611	254,288,129
Restricted:			
Community development projects	5,715,241	-	5,715,241
Asset forfeiture program	4,560,347	-	4,560,347
Law enforcement	648,685	-	648,685
Public works	17,134,238	-	17,134,238
Capital projects	2,000	-	2,000
Debt service	171,881	831,423	1,003,304
Low/mod income housing activities	10,214,361	-	10,214,361
<b>Total restricted</b>	<b>38,446,753</b>	<b>831,423</b>	<b>39,278,176</b>
Unrestricted (deficit)	(56,320,820)	10,922,839	(45,397,981)
<b>Total net position</b>	<b>\$ 217,470,451</b>	<b>\$ 30,697,873</b>	<b>\$ 248,168,324</b>



**City of South Gate**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

<b>Functions/Programs</b>	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 7,238,434	\$ 2,944,710	\$ 53,241	\$ -	\$ 2,997,951
Police	32,658,124	2,051,477	1,552,022	-	3,603,499
Community development	11,681,154	1,739,319	12,318,651	-	14,057,970
Parks & recreation	8,761,785	1,029,398	122,489	-	1,151,887
Public works	18,790,068	1,583,649	5,438,989	5,369,929	12,392,567
Interest on long-term debt	533,290	-	-	-	-
Total governmental activities	<u>79,662,855</u>	<u>9,348,553</u>	<u>19,485,392</u>	<u>5,369,929</u>	<u>34,203,874</u>
<b>Business-type activities:</b>					
Water	15,170,900	19,859,155	-	-	19,859,155
Sewer	1,330,302	1,257,929	-	-	1,257,929
Refuse	4,043,248	4,079,615	48,671	-	4,128,286
Total business-type activities	<u>20,544,450</u>	<u>25,196,699</u>	<u>48,671</u>	<u>-</u>	<u>25,245,370</u>
<b>Total primary government</b>	<u>\$ 100,207,305</u>	<u>\$ 34,545,252</u>	<u>\$ 19,534,063</u>	<u>\$ 5,369,929</u>	<u>\$ 59,449,244</u>

**City of South Gate**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2020**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (4,240,483)	\$ -	\$ (4,240,483)
Police	(29,054,625)	-	(29,054,625)
Community development	2,376,816	-	2,376,816
Parks & recreation	(7,609,898)	-	(7,609,898)
Public works	(6,397,501)	-	(6,397,501)
Interest on long-term debt	(533,290)	-	(533,290)
Total governmental activities	(45,458,981)	-	(45,458,981)
<b>Business-type activities:</b>			
Water	-	4,688,255	4,688,255
Sewer	-	(72,373)	(72,373)
Refuse	-	85,038	85,038
Total business-type activities	-	4,700,920	4,700,920
<b>Total primary government</b>	(45,458,981)	4,700,920	(40,758,061)
<b>General revenues and transfers:</b>			
Taxes:			
Property taxes, levied for general purpose	14,078,869	-	14,078,869
Transient occupancy taxes	411,821	-	411,821
Sales taxes	21,162,524	-	21,162,524
Franchise taxes	2,743,851	-	2,743,851
Business licenses taxes	1,397,111	-	1,397,111
Motor vehicle license in lieu	76,595	-	76,595
Other taxes	592,646	-	592,646
Total taxes	40,463,417	-	40,463,417
Use of money and property	1,574,858	1,266,484	2,841,342
Other	1,063,793	-	1,063,793
Transfers	287,309	(287,309)	-
<b>Total general revenues and transfers</b>	43,389,377	979,175	44,368,552
<b>Changes in net position</b>	(2,069,604)	5,680,095	3,610,491
<b>Net Position:</b>			
Beginning of year, as restated (Note 19)	219,540,055	25,017,778	244,557,833
End of year	\$ 217,470,451	\$ 30,697,873	\$ 248,168,324

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**FUND FINANCIAL STATEMENTS**

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**General Fund** – The General Fund accounts for resources traditionally associated with government which are not legally required, or determined by sound financial management, to be accounted for in another fund.

**Grants Special Revenue Fund** - This fund is used to account for all Federal, State, and local grants not specified in other funds.

**Capital Improvement Projects Fund** - This fund accounts for various capital projects funded by grants, other governmental entities or designated by the City Council.

**City of South Gate  
Balance Sheet  
Governmental Funds  
June 30, 2020**

	Major Funds				
	General Fund	Grants Special Revenue Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 23,868,918	\$ -	\$ 7,068,967	\$ 27,118,714	\$ 58,056,599
Receivables:					
Accounts	1,151,004	-	15,000	319,533	1,485,537
Notes and loans	17,433	392,680	-	9,236,348	9,646,461
Accrued interest	154,418	-	-	101,447	255,865
Settlements	76,712	-	-	-	76,712
Prepaid items	-	-	-	32,716	32,716
Due from other governments	4,774,069	4,679,698	-	1,050,714	10,504,481
Due from other funds	8,455,055	-	-	-	8,455,055
Inventories	181,678	-	-	-	181,678
Land held for resale	-	-	-	4,950,000	4,950,000
Advances to other funds	23,798,000	-	-	-	23,798,000
Restricted cash and investments held by fiscal agent	171,881	-	2,000	-	173,881
<b>Total assets</b>	<b>\$ 62,649,168</b>	<b>\$ 5,072,378</b>	<b>\$ 7,085,967</b>	<b>\$ 42,809,472</b>	<b>\$ 117,616,985</b>

**City of South Gate  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2020**

	Major Funds				
	General Fund	Grants Special Revenue Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,133,600	\$ -	\$ 1,904,277	\$ 650,617	\$ 3,688,494
Accrued liabilities	765,203	-	-	83,038	848,241
Unearned revenue	-	49,959	220,000	405,852	675,811
Deposits	2,607,025	-	96,257	78,054	2,781,336
Retentions payable	-	-	845,389	-	845,389
Due to other governments	10,964	-	-	-	10,964
Due to other funds	-	4,378,290	-	4,137,243	8,515,533
Advances from other funds	-	-	-	1,813,000	1,813,000
<b>Total liabilities</b>	<b>4,516,792</b>	<b>4,428,249</b>	<b>3,065,923</b>	<b>7,167,804</b>	<b>19,178,768</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	76,712	1,674,622	-	184	1,751,518
<b>Total deferred inflows of resources</b>	<b>76,712</b>	<b>1,674,622</b>	<b>-</b>	<b>184</b>	<b>1,751,518</b>
<b>Fund Balances:</b>					
<b>Nonspendable</b>					
Inventories	181,678	-	-	-	181,678
Prepaid items	-	-	-	32,716	32,716
Notes and loans	17,433	-	-	-	17,433
Advances to other funds	23,798,000	-	-	-	23,798,000
<b>Restricted</b>					
Community development projects	-	-	-	5,715,241	5,715,241
Asset forfeiture program	-	-	-	4,560,347	4,560,347
Law enforcement	-	-	-	648,685	648,685
Public works	-	-	-	17,134,238	17,134,238
Capital projects	-	-	2,000	-	2,000
Debt service	171,881	-	-	-	171,881
Low/mod income housing activities	-	-	-	10,866,555	10,866,555
<b>Committed</b>					
Emergency reserve	10,000,000	-	-	-	10,000,000
Employment resource center	1,870,000	-	3,828,744	-	5,698,744
Budget stabilization	6,000,000	-	-	-	6,000,000
OPEB section 115 trust	1,000,000	-	-	-	1,000,000
Revolving loan program (ED)	1,000,000	-	-	-	1,000,000
Capital projects	-	-	189,300	-	189,300
<b>Assigned</b>					
Public works	115,000	-	-	-	115,000
Capital projects	3,367,023	-	-	-	3,367,023
<b>Unassigned (deficit)</b>	<b>10,534,649</b>	<b>(1,030,493)</b>	<b>-</b>	<b>(3,316,298)</b>	<b>6,187,858</b>
<b>Total fund balances</b>	<b>58,055,664</b>	<b>(1,030,493)</b>	<b>4,020,044</b>	<b>35,641,484</b>	<b>96,686,699</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 62,649,168</b>	<b>\$ 5,072,378</b>	<b>\$ 7,085,967</b>	<b>\$ 42,809,472</b>	<b>\$ 117,616,985</b>



**City of South Gate**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2020**

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**Total Fund Balances - Total Governmental Funds** \$ 96,686,699

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.

Government-Wide Financial Statements	236,928,860
Less: capital assets reported in Internal Service Funds	(1,503,617)
<b>Total capital assets adjustment</b>	<u>235,425,243</u>

Long-term debt are not due and payable in the current period and, therefore, are not reported in the governmental fund activity:

Pension Obligation Bonds	(12,800,000)
Financing agreements	(738,953)
Compensated absences	(5,032,644)
<b>Total long-term debt adjustment</b>	<u>(18,571,597)</u>

Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. (57,493)

Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability:

Deferred outflows of resources related to pensions, net of \$238,202 reported in Internal Service Funds.	15,040,684
Aggregate net pension liabilities, net of \$(2,009,372) reported in Internal Service Funds.	(84,440,282)
Deferred inflows of resources related to pensions, net of \$(80,784) reported in Internal Service Funds.	(5,559,700)

Governmental funds report all OPEB contributions as expenditures; however, in the statement of net position, total OPEB liability is reported as a total OPEB liability:

Deferred outflows of resources related to OPEB, net of \$33,250 reported in Internal Service Funds.	899,476
Other postemployment benefits liabilities, net of \$(802,595) reported in Internal Service Funds.	(21,711,400)
Deferred inflows of resources related to OPEB, net of \$(244,791) reported in Internal Service Funds.	(6,621,970)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 1,751,518

Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 4,629,273

**Net Position of Governmental Activities** \$ 217,470,451

**City of South Gate**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	Major Funds				
	General Fund	Grants Special Revenue Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 40,386,822	\$ -	\$ -	\$ 1,989,636	\$ 42,376,458
Licenses and permits	1,988,477	-	-	12,829	2,001,306
Intergovernmental	283,239	4,614,964	325,153	17,354,008	22,577,364
Charges for services	1,731,802	-	-	1,053,228	2,785,030
Use of money and property	1,148,122	-	-	885,362	2,033,484
Fines and forfeitures	1,418,757	-	-	82,860	1,501,617
Miscellaneous	4,236,360	-	-	19,781	4,256,141
<b>Total revenues</b>	<b>51,193,579</b>	<b>4,614,964</b>	<b>325,153</b>	<b>21,397,704</b>	<b>77,531,400</b>
<b>EXPENDITURES:</b>					
Current:					
General government	6,985,360	-	-	21,928	7,007,288
Police	28,182,123	-	-	1,266,258	29,448,381
Community development	3,496,263	4,848	-	8,035,634	11,536,745
Parks & recreation	7,929,225	-	-	77,231	8,006,456
Public works	4,211,825	-	-	6,541,512	10,753,337
Capital outlay	26,945	-	6,694,136	246,343	6,967,424
Debt service:					
Principal	1,255,000	-	-	558,140	1,813,140
Interest and fiscal charges	761,208	-	-	12,335	773,543
<b>Total expenditures</b>	<b>52,847,949</b>	<b>4,848</b>	<b>6,694,136</b>	<b>16,759,381</b>	<b>76,306,314</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,654,370)</b>	<b>4,610,116</b>	<b>(6,368,983)</b>	<b>4,638,323</b>	<b>1,225,086</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	6,417,683	262,569	6,680,252
Transfers out	(659,747)	(3,933,680)	(124,914)	(1,674,602)	(6,392,943)
<b>Total other financing sources (uses)</b>	<b>(659,747)</b>	<b>(3,933,680)</b>	<b>6,292,769</b>	<b>(1,412,033)</b>	<b>287,309</b>
<b>CHANGES IN FUND BALANCES</b>	<b>(2,314,117)</b>	<b>676,436</b>	<b>(76,214)</b>	<b>3,226,290</b>	<b>1,512,395</b>
<b>FUND BALANCES:</b>					
Beginning of year	60,369,781	(1,706,929)	4,096,258	32,415,194	95,174,304
End of year	<u>\$ 58,055,664</u>	<u>\$ (1,030,493)</u>	<u>\$ 4,020,044</u>	<u>\$ 35,641,484</u>	<u>\$ 96,686,699</u>

**City of South Gate**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2020**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,512,395</b>
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay, net of \$398,149 reported in Internal Service Fund	7,055,501
Depreciation, net of \$358,566 reported in Internal Service Fund	(9,387,008)
	(2,331,507)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	1,813,140
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	
	240,253
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	
	755,823
Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
	(5,041,934)
Other postemployment benefits expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds.	
	(436,807)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are not included in the intergovernmental revenues in the governmental fund activity.	
	(652,194)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.	
	2,071,227
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (2,069,604)</b>

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# PROPRIETARY FUND FINANCIAL STATEMENTS

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## **ENTERPRISE FUNDS:**

**Utility Authority - Water Fund** – This fund accounts for the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund including administration, operations, maintenance, capital improvements, billing, collections and depreciation.

**Utility Authority - Sewer Fund** – This fund accounts for the provision of sewer maintenance services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital improvements, billing, collections and depreciation.

**Refuse Fund (Non-Major)** – This fund accounts for the provision of waste management services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital improvements, billing, collections and depreciation.

**INTERNAL SERVICE FUNDS:** (Refer to page 149 for more details)

**City of South Gate**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major		Nonmajor		
	Water	Sewer	Refuse		
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 39,778,688	\$ 1,647,150	\$ 1,127,682	\$ 42,553,520	\$ 15,053,501
Receivables:					
Accounts	3,203,682	377,940	691,349	4,272,971	-
Accrued interest	143,051	7,247	4,137	154,435	51,456
Due from other governments	-	-	-	-	180
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	7,061
Prepaid bond insurance	-	-	-	-	-
Due from other funds	1,779	-	-	1,779	58,699
<b>Total current assets</b>	<b>43,127,200</b>	<b>2,032,337</b>	<b>1,823,168</b>	<b>46,982,705</b>	<b>15,170,897</b>
Noncurrent assets:					
Restricted assets:					
Cash and investments	831,423	-	-	831,423	-
Capital assets:					
Non-depreciable assets	3,870,038	143,164	-	4,013,202	308,973
Depreciable assets, net of accumulated depreciation	29,921,446	16,263,644	-	46,185,090	1,194,644
Total capital assets, net	33,791,484	16,406,808	-	50,198,292	1,503,617
Total noncurrent assets	34,622,907	16,406,808	-	51,029,715	1,503,617
<b>Total assets</b>	<b>77,750,107</b>	<b>18,439,145</b>	<b>1,823,168</b>	<b>98,012,420</b>	<b>16,674,514</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding of debt	1,158,019	-	-	1,158,019	-
Deferred outflows of resources related to pensions	533,864	84,186	-	618,050	238,202
Deferred outflows of resources related to OPEB	87,274	20,312	-	107,586	33,250
<b>Total deferred outflows of resources</b>	<b>1,779,157</b>	<b>104,498</b>	<b>-</b>	<b>1,883,655</b>	<b>271,452</b>

**City of South Gate**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2020**

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	1,118,488	29,099	419,315	1,566,902	302,166
Accrued liabilities	61,430	8,734	1,698	71,862	21,088
Accrued interest	222,841	-	-	222,841	-
Unearned revenues	-	-	99,679	99,679	-
Deposits payable	3,596,191	-	-	3,596,191	-
Retentions payable	15,125	-	-	15,125	-
Compensated absences, due within one year	31,061	5,241	-	36,302	5,583
Claims and judgments, due within one year	-	-	-	-	2,015,049
Bonds payable, due within one year	1,684,349	-	-	1,684,349	-
Total current liabilities	<u>6,729,485</u>	<u>43,074</u>	<u>520,692</u>	<u>7,293,251</u>	<u>2,343,886</u>
Noncurrent liabilities:					
Advances from other funds	-	21,985,000	-	21,985,000	-
Compensated absences, due in more than one year	337,582	56,959	-	394,541	60,641
Claims and judgments, due in more than one year	-	-	-	-	6,774,624
Bonds payable, due in more than one year	30,713,226	-	-	30,713,226	-
Aggregate net pension liability	4,503,448	710,160	-	5,213,608	2,009,372
Net OPEB liability	2,106,614	490,298	-	2,596,912	802,595
Total noncurrent liabilities	<u>37,660,870</u>	<u>23,242,417</u>	<u>-</u>	<u>60,903,287</u>	<u>9,647,232</u>
<b>Total liabilities</b>	<u>44,390,355</u>	<u>23,285,491</u>	<u>520,692</u>	<u>68,196,538</u>	<u>11,991,118</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	181,055	28,551	-	209,606	80,784
Deferred inflows of resources related to OPEB	642,517	149,541	-	792,058	244,791
Total deferred inflows of resources	<u>823,572</u>	<u>178,092</u>	<u>-</u>	<u>1,001,664</u>	<u>325,575</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,536,803	16,406,808	-	18,943,611	1,503,617
Restricted for debt service	831,423	-	-	831,423	-
Unrestricted (deficit)	30,947,111	(21,326,748)	1,302,476	10,922,839	3,125,656
Total net position	<u>\$ 34,315,337</u>	<u>\$ (4,919,940)</u>	<u>\$ 1,302,476</u>	<u>\$ 30,697,873</u>	<u>\$ 4,629,273</u>

**City of South Gate**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major		Nonmajor		
	Water	Sewer	Refuse		
<b>OPERATING REVENUES:</b>					
Sales and service charges	\$ 19,281,250	\$ 1,256,557	\$ 4,073,986	\$ 24,611,793	\$ -
Interdepartmental charges	-	-	-	-	7,449,358
Claim recovery	-	-	-	-	1,622,094
Miscellaneous	577,905	1,372	5,629	584,906	-
<b>Total operating revenues</b>	<b>19,859,155</b>	<b>1,257,929</b>	<b>4,079,615</b>	<b>25,196,699</b>	<b>9,071,452</b>
<b>OPERATING EXPENSES:</b>					
Personnel services	4,319,848	263,600	88,121	4,671,569	1,648,221
Utilities	683,207	1,700	3,755,055	4,439,962	54,241
Contractual services	4,070,563	122,089	1,223	4,193,875	358,178
Administrative services	2,414,830	277,219	198,849	2,890,898	430,183
Repairs and maintenance	141,348	103,886	-	245,234	933,337
Supplies	394,509	22,832	-	417,341	689,925
Insurance	-	-	-	-	2,954,310
Depreciation expense	1,547,192	538,976	-	2,086,168	358,566
<b>Total operating expenses</b>	<b>13,571,497</b>	<b>1,330,302</b>	<b>4,043,248</b>	<b>18,945,047</b>	<b>7,426,961</b>
<b>OPERATING INCOME (LOSS)</b>	<b>6,287,658</b>	<b>(72,373)</b>	<b>36,367</b>	<b>6,251,652</b>	<b>1,644,491</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	1,178,796	55,736	31,952	1,266,484	426,736
Intergovernmental revenue	-	-	48,671	48,671	-
Interest expense and fiscal charges	(1,599,403)	-	-	(1,599,403)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(420,607)</b>	<b>55,736</b>	<b>80,623</b>	<b>(284,248)</b>	<b>426,736</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>5,867,051</b>	<b>(16,637)</b>	<b>116,990</b>	<b>5,967,404</b>	<b>2,071,227</b>
<b>TRANSFERS:</b>					
Transfers in	203,595	-	-	203,595	-
Transfers out	(287,309)	(203,595)	-	(490,904)	-
<b>Total transfers</b>	<b>(83,714)</b>	<b>(203,595)</b>	<b>-</b>	<b>(287,309)</b>	<b>-</b>
<b>CHANGES IN NET POSITION</b>	<b>5,783,337</b>	<b>(220,232)</b>	<b>116,990</b>	<b>5,680,095</b>	<b>2,071,227</b>
<b>NET POSITION:</b>					
Beginning of year, as restated (Note 19)	28,532,000	(4,699,708)	1,185,486	25,017,778	2,558,046
End of year	<b>\$ 34,315,337</b>	<b>\$ (4,919,940)</b>	<b>\$ 1,302,476</b>	<b>\$ 30,697,873</b>	<b>\$ 4,629,273</b>

**City of South Gate**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 21,071,079	\$ 1,239,212	\$ 4,042,006	\$ 26,352,297	\$ -
Cash received from interfund service provided	-	-	-	-	7,414,580
Cash paid to suppliers for goods and services	(7,616,234)	(543,250)	(3,911,275)	(12,070,759)	(6,409,621)
Cash paid to employees for services	(3,386,046)	(440,185)	(87,628)	(3,913,859)	(1,255,018)
<b>Net cash provided by (used in) operating activities</b>	<b>10,068,799</b>	<b>255,777</b>	<b>43,103</b>	<b>10,367,679</b>	<b>(250,059)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(346,761)	(161)	-	(346,922)	(398,149)
Proceeds from issuance on capital-related debt	32,438,029	-	-	32,438,029	-
Cash paid to escrow for capital-related debt defeased	(37,742,994)	-	-	(37,742,994)	-
Interest paid on capital-related debt	(1,603,171)	-	-	(1,603,171)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(7,254,897)</b>	<b>(161)</b>	<b>-</b>	<b>(7,255,058)</b>	<b>(398,149)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Intergovernmental revenue	-	-	48,671	48,671	-
Transfers in	203,595	-	-	203,595	-
Transfers out	(287,309)	(203,595)	-	(490,904)	-
<b>Net cash (used in) noncapital financing activities</b>	<b>(83,714)</b>	<b>(203,595)</b>	<b>48,671</b>	<b>(238,638)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income	1,199,802	57,539	33,187	1,290,528	450,355
<b>Net cash provided by (used in) investing activities</b>	<b>1,199,802</b>	<b>57,539</b>	<b>33,187</b>	<b>1,290,528</b>	<b>450,355</b>
<b>Net change in cash and cash equivalents</b>	<b>3,929,990</b>	<b>109,560</b>	<b>124,961</b>	<b>4,164,511</b>	<b>(197,853)</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	36,680,121	1,537,590	1,002,721	39,220,432	15,251,354
End of year	<u>\$ 40,610,111</u>	<u>\$ 1,647,150</u>	<u>\$ 1,127,682</u>	<u>\$ 43,384,943</u>	<u>\$ 15,053,501</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>					
Cash and investments	\$ 39,778,688	\$ 1,647,150	\$ 1,127,682	\$ 42,553,520	\$ 15,053,501
Restricted cash and investment	831,423	-	-	831,423	-
<b>Total cash and cash equivalents</b>	<u>\$ 40,610,111</u>	<u>\$ 1,647,150</u>	<u>\$ 1,127,682</u>	<u>\$ 43,384,943</u>	<u>\$ 15,053,501</u>



**City of South Gate**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities			Total	Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major		Nonmajor		
	Water	Sewer	Refuse		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 6,287,658	\$ (72,373)	\$ 36,367	\$ 6,251,652	\$ 1,644,491
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,547,192	538,976	-	2,086,168	358,566
(Increase) decrease in accounts receivable	(64,896)	(18,717)	(38,926)	(122,539)	(180)
(Increase) decrease in prepaid items	-	-	-	-	(52)
(Increase) decrease in due from other funds	(1,352)	-	-	(1,352)	(34,778)
(Increase) decrease in deferred outflows of resources related to pensions	221,337	112,961	-	334,298	56,407
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	27,640	6,433	-	34,073	10,530
Increase (decrease) in accounts payable	88,223	(15,524)	43,852	116,551	(115,856)
Increase (decrease) in accrued liabilities	13,977	2,512	493	16,982	3,062
Increase (decrease) in unearned revenue	-	-	1,317	1,317	-
Increase (decrease) in deposits payable	1,278,172	-	-	1,278,172	-
Increase (decrease) in compensated absences	-	-	-	-	66,224
Increase (decrease) in claims and judgments	-	-	-	-	(2,495,453)
Increase (decrease) in compensated absences	22,011	14,846	-	36,857	-
Increase (decrease) in net pension liability	515,200	(326,443)	-	188,757	197,945
Increase (decrease) in net OPEB liability	(499,345)	(116,219)	-	(615,564)	(190,245)
Increase (decrease) in deferred inflows of resources related to pensions	118,894	9,675	-	128,569	53,419
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	514,088	119,650	-	633,738	195,861
Total adjustments	<u>3,781,141</u>	<u>328,150</u>	<u>6,736</u>	<u>4,116,027</u>	<u>(1,894,550)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 10,068,799</u></u>	<u><u>\$ 255,777</u></u>	<u><u>\$ 43,103</u></u>	<u><u>\$ 10,367,679</u></u>	<u><u>\$ (250,059)</u></u>

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# FIDUCIARY FUND

## FINANCIAL STATEMENTS

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**Agency Funds** – This fund accounts for assets received and held by the City while acting in the capacity of agents or custodians. Cash and deposits are maintained for activities associated with various associations and third party projects.

**Successor Agency to the Community Development Commission Private Purpose Trust Fund** – This fund accounts for the assets and liabilities of the former Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former Community Development Commission (Redevelopment Agency) are paid in full and assets have been liquidated.

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**City of South Gate**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	Agency Funds	Successor Agency of the Former Community Development Commission
<b>ASSETS</b>		
Cash and investments	\$ 969,445	\$ 1,326,137
Cash and investments with fiscal agent	-	3,931,514
Receivables:		
Notes and loans	-	256,100
Due from other governments	-	10,964
Prepaid bond insurance	-	80,185
Property held for resale	-	1,463,492
Capital assets:		
Non-depreciable	-	1,686,000
Depreciable, net	-	122,493
<b>Total assets</b>	<b>\$ 969,445</b>	<b>8,876,885</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 108,000	137,294
Interest payable	-	301,415
Due to other governments	-	506,448
Deposits payable	861,445	
Long-term debt:		
Due within one year	-	3,774,658
Due in more than one year	-	16,823,748
<b>Total liabilities</b>	<b>\$ 969,445</b>	<b>21,543,563</b>
<b>NET POSITION (DEFICIT)</b>		
Held in trust		<b>\$ (12,666,678)</b>

**City of South Gate**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

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	Successor Agency of the Former Community Development Commission
<b>ADDITIONS:</b>	
Redevelopment property tax trust fund	\$ 4,963,204
Use of money and property	51,166
<b>Total additions</b>	<u>5,014,370</u>
<b>DEDUCTIONS:</b>	
Utilities	233
Contractual services	652,745
Administrative services	218,316
Depreciation expense	19,089
Interest expense and fiscal charges	616,516
<b>Total deductions</b>	<u>1,506,899</u>
<b>Changes in Net Position</b>	3,507,471
<b>NET POSITION:</b>	
Beginning of year	<u>(16,174,149)</u>
End of year	<u><u>\$ (12,666,678)</u></u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of South Gate**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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**City of South Gate**  
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**For the Year Ended June 30, 2020**

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**City of South Gate**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies**

**A. Description of the Reporting Entity**

The City of South Gate (the "City") was incorporated January 20, 1923, under the general laws of the state of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City is a municipal corporation governed by an elected five-member council.

As required by generally accepted accounting principles, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The following blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City. They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit; (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government. A brief description of each component unit is discussed below.

*Blended Component Units*

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presents component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

The City Council acts as the governing body and is able to impose its will on the following organizations and establishing financial accountability. 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 either 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 if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). As a result, these organizations are considered component units of the City and are included within the financial statements of the City using the blended method. All component units have a June 30 year-end.

The **South Gate Utility Authority ("Utility Authority")** is a joint powers authority that was established by the City and Authority on August 28, 2001. The Utility Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. The Utility Authority was created for the purpose of providing financing for public capital improvements for the City. Separate financial statements are not prepared for the Utility Authority.

The **Housing Authority of the City of South Gate ("Housing Authority")** was established on September 23, 1974, pursuant to the State of California Health and Safety Code 34200 entitled, "Housing Authorities Law." The Housing Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. The purpose of the Housing Authority of the City of South Gate is to provide safe and sanitary dwelling accommodations in the City to persons of low income. Separate financial statements are not prepared for the Housing Authority.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**A. Description of the Reporting Entity (Continued)**

The South Gate Public Financing Authority (“Financing Authority”) was formed on September 11, 1989. The purpose of the South Gate Public Financing Authority is to issue debt to finance public improvements and other capital purchases for the City. The Public Financing Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. Separate financial statements are not available for the Financing Authority.

The following specific criteria were used in determining the status of these component units:

- Members of the City Council also act as the governing body of the Utility Authority, the Housing Authority, and the Financing Authority.
- The City, the Utility Authority, the Housing Authority, and the Financing Authority are financially interdependent.
- The Utility Authority, the Housing Authority, and the Financing Authority are managed by employees of the City, who provide various support functions including financial reporting and investment decisions.

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

The City’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Government Accounting Standards Board is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund and similar activities. The effect of inter-fund services provided and used between functions is not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other no exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the *accrual basis* of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Certain indirect costs are included in program expenses reported for individual functions and activities.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

*Fund Financial Statements*

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

*Governmental Fund Financial Statements*

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, for which the revenue recognition period is 270 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- *General Fund* – The General Fund accounts for resources traditionally associated with government which are not legally required or by sound financial management to be accounted for in another fund.
- *Grants Special Revenue Fund* - This fund is used to account for all Federal, State, and local grants not specified in other funds.
- *Capital Improvement Projects Fund* – This fund accounts for various capital projects from resources committed by the City Council.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each proprietary fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. These funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. These areas of service include Insurance, Information Systems, Fleet Management, Capital Asset & Equipment Replacement, and Building & Infrastructure Maintenance.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

*Proprietary Fund Financial Statements (Continued)*

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary fund *operating* revenues and expenses, such as charges for services, and payments to employees and vendors, 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 and expenses, such as subsidies, investment earnings, changes in fair value of investments and interest charges result from non-exchange transactions or ancillary activities.

The concept of major funds extends to Proprietary Funds. The City has identified the funds below as major proprietary funds. Individual non-major funds may be found in the supplemental section.

- *Utility Authority - Water Fund* – This fund accounts for the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund including administration, operations, maintenance, capital improvements, billing, collection and depreciation.
- *Utility Authority - Sewer Fund* – This fund accounts for the provision of sewer maintenance services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, operations, maintenance, capital improvements and depreciation.

*Fiduciary Fund Financial Statements*

The City's fiduciary funds consist of an agency fund and a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private purpose trust funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting.

The City also reports the following fiduciary funds:

- *Agency Fund* – This fund accounts for assets received and held by the City while acting in the capacity of agents or custodians. Cash and deposits are maintained for activities associated with various associations and third party projects.
- *Private-purpose Trust Fund* – This fund accounts for the assets and liabilities of the former Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Cash, Investments, and Cash Equivalents**

In order to maximize investment return, the City pools its available cash for investment purposes. The City's cash management pool is used essentially as a demand deposit account by the various funds. The City has defined, for purposes of the preparation of its statements of cash flows, cash and cash equivalents as demand deposits plus all investments maintained in its cash management pool, regardless of maturity period.

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. 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, maturity, 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, except investment income for the Internal Service Funds and the Capital Improvement Fund which is allocated to the General Fund.

Following areas of certain disclosure requirements, if applicable, for Deposits and Investment Risks are presented in the footnotes:

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

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

**D. Fair Value Measurement**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

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

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

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

---

**Note 1 - Summary of Significant Accounting Policies (Continued)**

***E. Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

***F. Prepaid Items***

The prepaid items are payments made to vendors for costs applicable to future accounting periods and are recorded under the consumption method in both government-wide and fund financial statements.

***G. Inventories***

Inventories of supplies are recorded at cost, whereas inventories held for resale are recorded at lower of cost or market using the first-in, first-out (FIFO) method. The cost of inventory is recorded as an asset when purchased and is expensed when consumed.

***H. Land Held for Resale***

Land held for resale is recorded in the City's Housing Successor Special Revenue Fund and in the Private-Purpose Trust Fund – Successor Agency of the Former Community Development Commission (CDC) at the lower of acquisition cost or estimated net realizable value when such amount becomes determinable as a result of the City entering into a contract for sale of property. Land held for resale at June 30, 2020, in the City's Housing Successor Special Revenue Fund and in the Private-Purpose Trust Fund – Successor Agency of the Former CDC are \$4,950,000 and \$1,463,492, respectively.

***I. Capital Assets***

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**I. Capital Assets (Continued)**

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's infrastructure assets are recorded at historical cost or at estimated historical cost if actual historical cost was not available. All current year additions to infrastructure assets are depreciated.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

For infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period.

The following schedule summarizes capital asset useful lives:

Building and improvements	10-50 years
Equipment and furniture	3-50 years
Vehicles	5-10 years
Infrastructure	10-65 years
Wells	20 years
Pumping and purification equipment	5-50 years
Distribution and service equipment	5-50 years
Eastside reservoir	45 years
Westside reservoir	45 years

**J. Deferred Outflows/Inflows of Resources**

The Statement of Net Position and the Balance Sheet report separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as revenue until that time.

**K. Net Pension Liability**

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



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***K. Net Pension Liability (Continued)***

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

<u>PARS</u>	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

***L. Other Postemployment Benefits (“OPEB”)***

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**M. *Compensated Absences***

Employees can carry forward, for use in subsequent years, earned but unused vacation and sick leave benefits to a specific limit. Upon termination, the City is obligated to compensate employees for all accrued earned but unused vacation days. Upon termination, employees that have provided at least 15 years of service to the City are reimbursed for 50% to 75% of earned but unused sick leave benefits.

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 also recorded for unused sick leave balances for an estimated amount based on active employee's eligibility. The estimated amount is calculated based on accrued value of the sick leave balances at June 30, 2019, and the City of South Gate Memorandum of Understanding Sick Leave Payoff eligibility calculation. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event which is outside the control of the City and the employee.

A liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. All other amounts are recorded in the statement of net position. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due.

**N. *Long-Term Liabilities***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**O. *Net Position***

In the governmental-wide financial statements and proprietary fund financial statements, net position is classified as follows:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and any deferred outflows or inflows of resources that are attributed to the acquisition, construction, or improvement of the assets, net of unspent debt proceeds and deferred gain/loss on refunding and retention payable.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**O. Net Position (Continued)**

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

Sometimes the government 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 government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**P. Fund Balance**

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable – This portion of a fund balance includes amounts that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, loans receivable, and land held for resale, unless the proceeds from the collection of those receivables or from sale of the properties is restricted, committed, or assigned; or (b) legally or contractually required to be maintained intact.

Restricted – This portion of a fund balance reflects constraints placed on the use of resources (other than non-spendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This portion of a fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (City Council), and remain binding unless removed in the same manner. The City Council, as the City’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.

As part of the City’s initiative to prepare for potential economic downturns or a major emergency, the City Council has committed funds as emergency reserves. As of June 30, 2020, the City has committed \$10,000,000 in the emergency reserves. The commitments are made through council approval establishing and amending the reserve amounts.

Assigned – This portion of a fund balance includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has designated the Director of Administrative Services as the City official to determine and define the amounts of those components of fund balance that are classified as “Assigned Fund Balance.”

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***P. Fund Balance (Continued)***

*Unassigned* – This portion of a fund balance includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance, unless a negative fund balance exists.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The City considers restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

***Q. Use of Estimates***

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

***R. Changes in Accounting Policy***

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB Statement No. 95), to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of provisions in certain GASB Statements and Implementation Guides which became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The City implemented GASB Statement No. 95 in the fiscal year ended June 30, 2020 and postponed the effective dates of the following GASB Statements:

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 90, Majority Equity Interests
- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 - Cash and Investments**

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

	<b>Government-Wide Statement of Net Position</b>			<b>Fiduciary Funds</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Statement of Net Position</b>	<b>Total</b>
Cash and investments	\$ 73,110,100	\$ 42,553,520	\$ 115,663,620	\$ 2,295,582	\$ 117,959,202
Cash and investments with fiscal agent	173,881	831,423	1,005,304	3,931,514	4,936,818
<b>Total cash and investments</b>	<b>\$ 73,283,981</b>	<b>\$ 43,384,943</b>	<b>\$ 116,668,924</b>	<b>\$ 6,227,096</b>	<b>\$ 122,896,020</b>

Cash and investments as of June 30, 2020 consisted of the following:

<b>Cash:</b>	
Cash on hand	16,996
Deposits with financial institution	6,387,395
<b>Total Cash</b>	<b>6,404,391</b>
<b>Investments:</b>	
Investments	111,554,812
Investments held by bond trustee	4,936,818
<b>Total Investments</b>	<b>116,491,630</b>
<b>Total Cash and Investments</b>	<b>\$ 122,896,021</b>

The City maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

**A. Demand Deposits**

At June 30, 2020, the carrying amount of the City's deposits was \$6,387,395 and the bank balance was \$6,402,703. The difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 - Cash and Investments (Continued)**

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

The table below identifies the investment types that are authorized of the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code.

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
Federal Agency Obligations	Yes	5 years	None	None
U.S. Government Sponsored Enterprise Securities	Yes	5 years	None	None
Bankers' Acceptances	Yes	180 days	40%	30%
Commercial Papers	Yes	270 days	25%	10%
Non-Negotiable Certificates of Deposit	Yes	5 years	None	None
Medium-Term Notes	Yes	5 years	30%	10%
Money Market Mutual Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

\*Based on state law requirements or investment policy requirements, whichever is more restrictive

***C. Investments Authorized by Debt Agreements***

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The following table identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	None	None	None
Bankers' Acceptances	1 year	40%	30%
Commercial Papers	1 year	25%	10%
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Agreements	N/A	None	None

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 - Cash and Investments (Continued)**

***D. Investment in State Investment Pool***

The City is a voluntary participant in the LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City's investments with LAIF at June 30, 2019, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

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

As of June 30, 2020, the City had \$64,783,762 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Backed Securities.

***E. Fair Value Measurement***

At June 30, 2020, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

Investment Type	Measurement Input		Total
	Level 2	Not subject to measurement	
Local Agency Investment Fund	\$ -	\$ 65,389,528	\$ 65,389,528
Certificates of deposits	25,984,379	-	25,984,379
Money market funds	-	1,122,005	1,122,005
U.S. government sponsored enterprise securities	19,058,900	-	19,058,900
Held by fiscal agent:			-
Money market funds	-	4,936,818	4,936,818
<b>Total</b>	<b>\$ 45,043,279</b>	<b>\$ 71,448,351</b>	<b>\$ 116,491,630</b>

The certificates of deposits are valued based on matrix pricing and the U.S. government sponsored enterprise securities are valued based on institutional bond quotes.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 - Cash and Investments (Continued)**

**F. Risk Disclosures**

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

At June 30, 2020, the City's investments are rated as following:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Ratings at Year-End AA or AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 65,389,528	N/A	\$ -	\$ 65,389,528
Certificates of deposits	25,984,379	N/A	-	25,984,379
Money market funds	1,122,005	AAA	1,122,005	-
U.S. government sponsored enterprise securities	19,058,900	AAA	19,058,900	-
Held by fiscal agent:				
Money market funds	4,936,818	AAA	4,936,818	-
	<u>\$ 116,491,630</u>		<u>\$ 25,117,723</u>	<u>\$ 91,373,907</u>

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 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. As of June 30, 2020, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions with the exception of U.S. Treasury securities, federal agency securities, U.S. government sponsored enterprise securities, overnight sweep accounts, and authorized pools that no more than 20% of the City's total investment portfolio to be invested in a single security type or 10% in any one corporate or bank issuer. With respect to concentration risk, as of June 30, 2020, the City is in compliance with its investment policy.

Investments in any one issuer that represent 5% or more of total City investment are as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Reported Amount</u>	<u>Percentage of Portfolio</u>
U.S. government sponsored enterprise securities	Federal Home Loan Bank	\$ 7,079,880	6.35%



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 - Cash and Investments (Continued)**

**F. Risk Disclosures (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2020, the City had the following investments and original maturities:

Investment Type	Totals	Remaining Maturing (In Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 65,389,528	\$ 65,389,528	\$ -	\$ -
Certificates of deposits	25,984,379	1,201,406	6,792,104	17,990,869
Money market funds	1,122,005	1,122,005	-	-
U.S. government sponsored enterprise securities	19,058,900	2,003,910	5,947,530	11,107,460
Held by fiscal agent:				
Money market funds	4,936,818	4,936,818	-	-
<b>Total</b>	<b>\$ 116,491,630</b>	<b>\$ 74,653,667</b>	<b>\$ 12,739,634</b>	<b>\$ 29,098,329</b>

**Note 3 - Settlements Receivable**

The City has two settlement agreements totaling \$76,712, one for the September 2, 2005, filing against Strategy Workshop and the second one for the March 1, 2005, filing against ECM Group Inc. The City contends that Strategy Workshop and ECM Group Inc. submitted false claims concerning certain service performed. The balance is also unavailable as of June 30, 2020. See Note 5.

**Note 4 - Notes and Loans Receivable**

Summary of changes in notes and loans receivable for the year ended June 30, 2020 is as follows:

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
Rental Rehabilitation	\$ 17,433	\$ 1,813,000	\$ -	\$ 17,433
Section 8 Repayment Program	14,415	-	-	14,415
CDBG and First Time Home Buyers	9,325,805	130,185	(234,057)	9,221,933
CalHome Loan Program	392,680	-	-	392,680
<b>Total</b>	<b>\$ 9,750,333</b>	<b>\$ 1,943,185</b>	<b>\$ (234,057)</b>	<b>\$ 9,646,461</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 4 - Notes and Loans Receivable (Continued)**

**A. Rental Rehabilitation**

The City participates in a Rental Rehabilitation Program. The purpose of the Rental Rehabilitation Loan Program is to assist owners of smaller rental properties which are occupied by persons or families that have an income less than 80% of the statewide median income. At June 30, 2020, the City has rental rehabilitation outstanding balance in the amount of \$1,830,433.

**B. Section 8 Repayment Program**

The City of South Gate also participates in a Section 8 Repayment Program. The program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects. At June 30, 2020, the outstanding balance was \$14,415.

**C. CDBG First Time Home Buyer**

The Community Development Department of the City of South Gate operates various loan programs under the Federal Community Development Block Grant Program which includes the First Time Homebuyer Program. This program provides zero percent interest silent second down payment assistance loans to residents who meet certain qualifications for the purpose of providing homeownership assistance to low-and-moderate income families.

The loans are secured by a deed of trust and monthly payments are not required. The loans become due and payable when any of the following occurs: 1) the property is sold or transferred, 2) property is no longer owner-occupied, 3) property is refinanced, 4) the last surviving borrower dies, at which time full repayment would be required, the loan is never forgiven. At June 30, 2020, the outstanding balance was \$9,221,933.

**D. CalHome Loan Program**

The Community Development Department of the City of South Gate operates a Homeowner Rehabilitation Program to assist low-income qualified residents make needed home repairs. Home repairs include such things as new energy efficient windows, new roof, upgraded electrical and plumbing, and to address other substandard conditions.

A one-time funding of \$1,000,000 was awarded by the State of California Housing and Community Development Department to assist at least 15 residents with zero percent interest loans. This loan program is capped at \$50,000 per household and is due and payable when any of the following occurs: 1) the property is sold or transferred, 2) property is no longer owner-occupied, 3) property is refinanced, 4) the last surviving borrower dies, or 5) at the end of thirty (30) years from loan origination, at which time full repayment would be required. The loan is never forgiven. At June 30, 2020, the outstanding balance is \$392,680.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 5 - Unavailable Revenue**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	General Fund	Grants Special Revenue Fund	Nonmajor Governmental Fund	Total
Unavailable federal and state grant revenue	\$ -	\$ 1,674,622	\$ 184	\$ 1,674,806
Settlement receivable (Note 3)	76,712	-	-	76,712
Total	<u>\$ 76,712</u>	<u>\$ 1,674,622</u>	<u>\$ 184</u>	<u>\$ 1,751,518</u>

**Note 6 - Interfund Transactions**

**A. Due To/From Other Funds**

Due from Other Funds	Due to Other Funds		
	Grants Special Revenue Fund	Nonmajor Governmental Funds	Total
	General Fund	\$ 4,378,290	\$ 4,076,765
Water Enterprise Fund	-	1,779	1,779
Internal Service Fund	-	58,699	58,699
Total	<u>\$ 4,378,290</u>	<u>\$ 4,137,243</u>	<u>\$ 8,515,533</u>

Current interfund receivables and payables are the result of short-term borrowings at June 30, 2020.

**B. Advances To/From Other Funds**

On November 13, 2001, a \$21,985,000 advance was made between the General Fund and the Sewer Fund to fund certain improvements to the sewer systems. The amount outstanding at June 30, 2020 is \$21,985,000. A payment schedule has not been determined.

On April 23, 2020, the City Council approved cooperation agreement between the City and the Housing Authority to provide needed financing for the purchase of property for development of low-moderate income housing project. The General Fund advanced \$1,813,000 to the Nonmajor Governmental Funds (Housing Successor Special Revenue Fund). The advance bears interest at LAIF rate. As of June 30, 2020, the outstanding balance for the advance was in the amount of \$1,813,000. The advance is to be repaid upon sale of the project.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 6 - Interfund Transactions (Continued)**

**C. Interfund Transfers**

Transfers Out	Transfers In			Total
	Capital Improvement Projects Fund	Nonmajor Governmental Fund	Utility Authority Water Enterprise Fund	
General Fund	\$ 659,747	\$ -	\$ -	\$ 659,747
Grants Special Revenue Funds	3,933,680	-	-	3,933,680
Capital Improvement Projects Fund	-	124,914	-	124,914
Nonmajor Governmental Funds	1,536,947	137,655	-	1,674,602
Water Enterprise Fund	287,309	-	-	287,309
Sewer Enterprise Fund	-	-	203,595	203,595
Total	<u>\$ 6,417,683</u>	<u>\$ 262,569</u>	<u>\$ 203,595</u>	<u>\$ 6,883,847</u>

The General Fund transferred \$659,747 to the Capital Improvement Projects Fund to pay for capital improvement projects.

The Grants Special Revenue Fund and nonmajor Governmental Funds transferred \$3,933,680 and \$1,536,947, respectively, to the Capital Improvement Fund to pay for capital improvement projects.

The nonmajor governmental funds transferred \$137,655 to nonmajor governmental funds mainly to pay for HOME program delivery costs.

The Utility Authority Water Enterprise Fund transferred \$287,309 to the Capital Improvement Projects Fund to pay for various capital improvement projects.

The Utility Authority Sewer Enterprise Fund transferred \$203,595 to the Utility Authority Water Enterprise Fund to pay its portion for the 2001 Subordinate Revenue Bonds debt service payments.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 7 - Capital Assets**

**A. Governmental Activities**

Capital assets activity for Governmental Activities for the year ended June 30, 2020, follows

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2020</b>
<b>Capital assets, not being depreciated:</b>					
Land	\$ 3,738,993	\$ -	\$ -	\$ -	\$ 3,738,993
Construction in progress	36,967,174	6,854,398	-	(22,542,015)	21,279,557
<b>Total capital assets, not being depreciated</b>	<b>40,706,167</b>	<b>6,854,398</b>	<b>-</b>	<b>(22,542,015)</b>	<b>25,018,550</b>
<b>Capital assets, being depreciated:</b>					
Structures and improvements	28,066,943	-	-	22,100	28,089,043
Machinery and equipment	13,836,052	599,252	(292,410)	-	14,142,894
Infrastructure street network	360,042,071	-	-	22,519,915	382,561,986
<b>Subtotal</b>	<b>401,945,066</b>	<b>599,252</b>	<b>(292,410)</b>	<b>22,542,015</b>	<b>424,793,923</b>
<b>Less accumulated depreciation</b>					
Structures and improvements	(15,918,311)	(799,957)	-	-	(16,718,268)
Machinery and equipment	(11,453,135)	(852,688)	292,410	-	(12,013,413)
Infrastructure street network	(176,059,003)	(8,092,929)	-	-	(184,151,932)
<b>Subtotal</b>	<b>(203,430,449)</b>	<b>(9,745,574)</b>	<b>292,410</b>	<b>-</b>	<b>(212,883,613)</b>
<b>Total capital assets, being depreciated</b>	<b>198,514,617</b>	<b>(9,146,322)</b>	<b>-</b>	<b>22,542,015</b>	<b>211,910,310</b>
<b>Total capital assets, net</b>	<b>\$ 239,220,784</b>	<b>\$ (2,291,924)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 236,928,860</b>

Depreciation expense was charged to functions/programs of the primary government in the Governmental Activities as follows:

General government	\$ 24,412
Police	307,191
Parks and recreation	616,069
Community development	12,900
Public works	8,426,436
Fleet management	11,663
Information system	117,749
Capital asset and equipment replacement	229,154
<b>Total depreciation expense</b>	<b>\$ 9,745,574</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 7 - Capital Assets (Continued)**

**B. Business-Type Activities**

Capital assets activity for Business-Type Activities for the year ended June 30, 2020, follows:

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2020</b>
<b>Capital assets, not being depreciated:</b>					
Water rights	\$ 1,933,144	\$ -	\$ -	\$ -	\$ 1,933,144
Land	1,290,602	-	-	-	1,290,602
Construction in progress	14,067,213	340,179	-	(13,617,936)	789,456
<b>Total capital assets, not being depreciated</b>	<b>17,290,959</b>	<b>340,179</b>	<b>-</b>	<b>(13,617,936)</b>	<b>4,013,202</b>
<b>Capital assets, being depreciated:</b>					
Structures and improvements	4,190,415	-	-	-	4,190,415
Machinery and equipment	6,756,426	6,743	-	-	6,763,169
Infrastructure utility distribution system	59,540,825	-	-	13,617,936	73,158,761
<b>Subtotal</b>	<b>70,487,666</b>	<b>6,743</b>	<b>-</b>	<b>13,617,936</b>	<b>84,112,345</b>
<b>Less accumulated depreciation</b>					
Structures and improvements	(1,396,981)	(96,708)	-	-	(1,493,689)
Machinery and equipment	(4,761,591)	(260,757)	-	-	(5,022,348)
Infrastructure utility distribution system	(29,682,515)	(1,728,703)	-	-	(31,411,218)
<b>Subtotal</b>	<b>(35,841,087)</b>	<b>(2,086,168)</b>	<b>-</b>	<b>-</b>	<b>(37,927,255)</b>
<b>Total capital assets, being depreciated</b>	<b>34,646,579</b>	<b>(2,079,425)</b>	<b>-</b>	<b>13,617,936</b>	<b>46,185,090</b>
<b>Total capital assets, net</b>	<b>\$ 51,937,538</b>	<b>\$ (1,739,246)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,198,292</b>

Depreciation expense was charged to functions/programs of the primary government in the Business-Type Activities as follows:

Water Enterprise Fund	\$ 1,547,192
Sewer Enterprise Fund	538,976
<b>Total depreciation expense</b>	<b>\$ 2,086,168</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 8 - Long-Term Liabilities**

**A. Governmental Activities**

The following is summary of changes in governmental activities long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Addition	Deletion	Balance June 30, 2020	Classification	
					Due within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
<b>Direct Borrowing:</b>						
SCE Edison financing agreements	\$ 546,121	\$ -	\$ (94,862)	\$ 451,259	\$ 94,862	\$ 356,397
Motorola Solutions loan	440,972	-	(153,278)	287,694	140,792	146,902
Total notes payable	987,093	-	(248,140)	738,953	235,654	503,299
Notes payable:						
2000A Section 108 HUD Note	310,000	-	(310,000)	-	-	-
Total notes payable	310,000	-	(310,000)	-	-	-
<b>Public Offering:</b>						
2005 Pension obligation bonds	14,055,000	-	(1,255,000)	12,800,000	1,320,000	11,480,000
Total long-term debt	\$ 15,352,093	\$ -	\$ (1,813,140)	\$ 13,538,953	\$ 1,555,654	\$ 11,983,299

**Southern California Edison On-Bill Financing**

The City entered into a financing agreement with Southern California Edison (direct borrowing) to provide five loans for a total of \$882,556 for the implementation of certain energy conservation measures at City facilities. The City is to make monthly payments of \$7,946 over a ten-year period. Payments commenced on December 30, 2015, and the last payment will be made on June 30, 2026. The loan has no interest. At June 30, 2020, the outstanding balance is \$451,259.

The annual requirements to amortize the outstanding loan as of June 30, 2020, are as follows:

Year Ending June 30,	Lease Payment
2021	\$ 94,862
2022	94,862
2023	94,862
2024	70,383
2025	64,638
2026	31,652
<b>Total Minimum Lease Payments</b>	451,259
<b>Less: Amount Representing Interest</b>	-
<b>Present Value of Future Minimum Lease Payments</b>	<b>\$ 451,259</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 8 - Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Motorola Solutions loan

The City entered into a Lease Financing Agreement with Bearcomm Inc. (direct borrowing) for the purchase of seventy-five (75) Motorola radios for the South Gate Police Department in the amount of \$459,834. The City is to make annual payments of \$153,278 over a three-year period. The loan has an annual interest of 4.34%. At June 30, 2020, the outstanding balance is \$287,694.

The annual requirements to amortize the outstanding loan as of June 30, 2020, are as follows:

Year Ending June 30,	Lease Payment
2021	153,278
2022	153,278
<b>Total Minimum Lease Payments</b>	<b>\$ 306,556</b>
<b>Less: Amount Representing Interest</b>	<b>(18,862)</b>
<b>Present Value of Future Minimum Lease Payments</b>	<b>\$ 287,694</b>

2000A Section 108 HUD Note

In July 1999, the City received \$3,625,000 upon issuance of a promissory note. The note is guaranteed by the U.S. Department of Housing and Urban Development (HUD) under Section 108 of the Housing and Community Development Act (direct borrowing). The proceeds were advanced to the City's Community Development Commission and were used by the Commission to fund loans. The note accrues interest of 6%. The loan was refunded by a 2000-A Section 108 Loan during the year ended June 30, 2000. The 2000-A loan bears interest at rates ranging from 7.808 to 7.858%. As of June 30, 2020, the note was fully paid off.

2005 Pension Obligation Bond

In March 2005, the City of South Gate issued \$24,400,000 in Pension Obligation Bonds (public offering). The proceeds were used to provide funds to cover the City's unfunded actuarial liability for safety employees through June 30, 2004. Proceeds were also used to advance refund \$6,675,000 of outstanding 2001 Taxable Certificates of Participation. The net proceeds were deposited in an escrow account with U.S. Bank National Association. The Certificates of Participation are considered defeased and have been paid in full.

The bonds mature in amounts ranging from \$1,070,000 to \$1,910,000 with interest ranging from 4.6% to 5.42%. Interest on the bonds is payable on December 1, 2005 and semi-annually thereafter on June 1 and December 1 of each year. The bonds were issued at face value. At June 30, 2020, the outstanding balance on the bonds is \$12,800,000.



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 8 - Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

Debt Service Requirements

The following schedule summarizes the debt service to maturity requirements for governmental activities bonds payable outstanding as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,320,000	\$ 689,920	\$ 2,009,920
2022	1,395,000	618,772	2,013,772
2023	1,470,000	543,582	2,013,582
2024	1,545,000	464,349	2,009,349
2025	1,630,000	381,073	2,011,073
2025-2028	5,440,000	596,673	6,036,673
<b>Total</b>	<b>\$ 12,800,000</b>	<b>\$ 3,294,369</b>	<b>\$ 16,094,369</b>

Compensated Absences

The following is summary of changes in governmental activities compensated absences for the year ended June 30, 2020:

	Balance	Addition	Deletion	Balance	Classification	
	July 1, 2019			June 30, 2020	Due within One Year	Due in More Than One Year
Compensated absences	\$ 5,788,467	\$ 2,560,045	\$ (3,249,644)	\$ 5,098,868	\$ 429,616	\$ 4,669,252

For governmental activities, accumulated vacation, sick leave benefits, holiday and compensatory time payable at June 30, 2020, was \$5,098,868. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used, mainly in the General Fund.

**B. Business-Type Activities**

The following is summary of changes in business-type activities long-term liabilities for the year ended June 30, 2020:

	Balance	Addition	Deletion	Balance	Classification	
	July 1, 2019			June 30, 2020	Due within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
<b>Public Offering:</b>						
2001 Subordinate Revenue Bonds	\$ 2,700,680	\$ 69,320	\$ (2,770,000)	\$ -	\$ -	\$ -
2012 Water Revenue Bonds	32,995,000	-	(32,995,000)	-	-	-
Unamortized premium	1,054,239	-	(1,054,239)	-	-	-
2019A Water Revenue Refunding Bonds	-	7,990,000	-	7,990,000	55,000	7,935,000
2019AT Water Revenue Refunding Bonds	-	23,350,000	-	23,350,000	1,560,000	21,790,000
Unamortized premium	-	1,098,029	(40,454)	1,057,575	69,349	988,226
Total long-term debt	<b>\$ 36,749,919</b>	<b>\$ 32,507,349</b>	<b>\$ (36,859,693)</b>	<b>\$ 32,397,575</b>	<b>\$ 1,684,349</b>	<b>\$ 30,713,226</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 8 - Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

2001 Subordinate Revenue Bonds

On November 13, 2001, \$30,965,451 of Subordinate Revenue Bonds (2001 Series) were issued by the Utility Authority, a public financing authority established by the City for the sole purpose of issuing debt on behalf of the City. The bond proceeds were used to finance an up-front lease payment for the Utility Authority's right to use the Water Enterprise, to finance certain capital improvements of the Sewer Enterprise, and to satisfy reserve requirements. In accordance with generally accepted accounting principles, the assets and debt of the Utility Authority have been reported as debt and assets of the primary government and the underlying intra-entity lease has been eliminated.

The bonds consist of \$25,690,000 Current Interest Bonds and \$5,275,451 Capital Appreciation Bonds. Interest on the Current Interest Bonds is payable April 1, 2002, and semi-annually thereafter on April 1 and October 1 of each year at rates ranging from 1.75% to 5% per annum. Principal installments are payable annually ranging in amounts from \$115,000 to \$285,000 through October 1, 2032. The Capital Appreciation bonds will appreciate in value based upon semi-annual accretion of the initial amount thereof on each April 1 and October 1, commencing April 1, 2002, at a rate of interest that will result in each such Capital Appreciation Bond appreciating to \$5,000 (or the applicable integral multiple thereof) on its final maturity date.

Interest is accreted at rates ranging from 4.55% to 5.2%. By their nature, there are no regular interest payments associated with Capital Appreciation Bonds. The "interest" on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. Each year, the outstanding balance is increased for the interest associated with the bonds.

On August 15, 2012, the South Gate Utility authority issued the 2012 Series Water Revenue Bonds to refund the outstanding interest bonds of the 2001 Subordinate Revenue Bonds. As a result, the interest bonds have been paid off and the capital appreciation bonds of the 2012 Series Water Revenue Bonds remain outstanding with a balance of \$2,700,680 at June 30, 2020.

In December 2019, the 2001 Subordinate Revenue Bonds were advance refunded by 2019 Water Revenue Refunding Bonds.

2012 Series Water Revenue Bonds

On August 15, 2012, the South Gate Utility authority issued \$34,170,000 of 2012 Series Water Revenue Bonds. The proceeds of the Bonds was used to: i) refund the portion of the Authority's Subordinate Revenue Bonds, 2001 Series (Water and Sewer System Projects) constituting current interest bonds, ii) finance a lease payment under the Lease Agreements, iii) finance certain capital improvements to the Water Enterprise, iv) fund the Reserve account for the Bonds, and v) pay costs of issuance of the Bonds.

The bonds consist of \$25,000,000 in Serial Bonds and \$9,710,000 in Term Bonds. Interest on the Serial Bonds is payable on April 1, 2013 and semi-annually thereafter on April 1 and October 1 of each year at rates ranging from 2.00% to 5.250% per annum. Principal installments are payable annually in increasing amounts from \$60,000 to \$2,400,000 on October 1 of each year from 2013 through 2032. The Term Bonds mature from 2033 through 2037 in annual installments of \$1,780,000 to \$2,110,000 and bear interest at 4.250%.

In December 2019, the 2012 Series Water Revenue Bonds were advance refunded by 2019 Water Revenue Refunding Bonds.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 8 - Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

2019 Series A and AT Water Revenue Bonds

On December 5, 2019, the South Gate Utility Authority issued \$31,340,000 of 2019 Series A and AT Water Revenue Bonds. Proceeds of these bonds were used to refund the Authority's 2001 Subordinate Revenue Bonds and 2012 Series Water Revenue Bonds and pay costs of issuance of these bonds.

The refunding resulted in saving in debt service payment in the amount of \$7,568,399 and economic gain in present value saving of \$5,941,319. The outstanding balance of the refunded debt at June 30, 2020 was \$24,420,000.

Debt covenants of the 2019 Revenue Bonds require that the Utility Authority set its charges at rates that will produce net water revenues that are at least equal to 120% of the proportionate share of certain debt service payments (as defined in the official statement). Net water revenue received during the year was \$9,217,241. Total principal and interest paid for the fiscal year was \$259,329 for 2019 Series A and AT Water Revenue Bonds.

The following schedule summarizes the debt service to maturity requirements for the bonds outstanding as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,615,000	\$ 891,362	\$ 2,506,362
2022	1,645,000	860,556	2,505,556
2023	1,680,000	827,639	2,507,639
2024	1,715,000	791,722	2,506,722
2025	1,755,000	752,853	2,507,853
2026-2030	9,470,000	3,065,363	12,535,363
2031-2035	11,000,000	1,535,864	12,535,864
2036	2,460,000	49,200	2,509,200
<b>Total</b>	<b>\$ 31,340,000</b>	<b>\$ 8,774,559</b>	<b>\$ 40,114,559</b>

Compensated Absences

The following is summary of changes in business-type activities compensated absences for the year ended June 30, 2020:

	Balance			Balance June 30, 2020	Classification	
	July 1, 2019	Addition	Deletion		Due within One Year	Due in More Than One Year
Compensated absences	\$ 393,986	\$ 216,101	\$ (179,244)	\$ 430,843	\$ 36,302	\$ 394,541

For the enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$430,843 at June 30, 2020. The liability will be paid in future years by the Utility Authority Water Fund and the Utility Authority Sewer Fund.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 9 - Defined Contribution Plan**

The City has established a defined contribution plan in accordance with Internal Revenue Code Section 401(a) to provide tax deferred payments towards retirement for Top Management employees. Under this plan, the City will provide a dollar-for-dollar match of the contributions paid by the employee into a 457 deferred compensation plan up to one-half the annual contribution limit set by the IRS. For the year ended June 30, 2020, the City contributed \$19,504 to the plan.

**Note 10 – Retirement Plans**

The following is the summary of net pension liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2020 and pension expense for the year then ended.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 3,616,873	\$ 587,078	\$ 4,203,951
CalPERS Safety	4,957,802	-	4,957,802
PARS	96,005	-	96,005
Total pension contribution made after measurement date	<u>8,670,680</u>	<u>587,078</u>	<u>9,257,758</u>
Change in assumption			
CalPERS Safety	2,208,591	-	2,208,591
PARS	36,182	-	36,182
Total change in assumption	<u>2,244,773</u>	<u>-</u>	<u>2,244,773</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	190,811	30,972	221,783
CalPERS Safety	3,518,106	-	3,518,106
PARS	53,421	-	53,421
Total difference between expected and actual experience	<u>3,762,338</u>	<u>30,972</u>	<u>3,793,310</u>
Projected earnings on pension plan investments in excess of actual earnings:			
PARS	2,635	-	2,635
Adjustment due to difference in proportions			
CalPERS Safety	598,460	-	598,460
<b>Total deferred outflows of resources</b>	<u><u>\$ 15,278,886</u></u>	<u><u>\$ 618,050</u></u>	<u><u>\$ 15,896,936</u></u>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Net pension liabilities:</b>			
CalPERS Miscellaneous	\$ 32,120,009	\$ 5,213,608	\$ 37,333,617
CalPERS Safety	53,883,494	-	53,883,494
PARS	446,151	-	446,151
<b>Total net pension liabilities</b>	<u>\$ 86,449,654</u>	<u>\$ 5,213,608</u>	<u>\$ 91,663,262</u>
<b>Deferred inflows of resources:</b>			
Change in assumption			
CalPERS Miscellaneous	105,739	17,163	\$ 122,902
CalPERS Safety	431,004	-	431,004
Total change in assumption	<u>536,743</u>	<u>17,163</u>	<u>553,906</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	729,205	118,361	847,566
CalPERS Safety	-	-	-
Total difference between expected and actual experience	<u>729,205</u>	<u>118,361</u>	<u>847,566</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	456,401	74,082	530,483
CalPERS Safety	741,259	-	741,259
Total projected earnings on pension plan investments in excess of actual earnings	<u>1,197,660</u>	<u>74,082</u>	<u>1,271,742</u>
Adjustment due to difference in proportions			
CalPERS Safety	249,772	-	249,772
Employer contributions in excess of proportionate share of contribution			
CalPERS Safety	2,927,104	-	2,927,104
<b>Total deferred inflows of resources</b>	<u>\$ 5,640,484</u>	<u>\$ 209,606</u>	<u>\$ 5,850,090</u>
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 5,549,558	\$ 1,238,702	\$ 6,788,260
CalPERS Safety	8,322,621	-	8,322,621
PARS	62,205	-	62,205
<b>Total net pension expenses</b>	<u>\$ 13,934,384</u>	<u>\$ 1,238,702</u>	<u>\$ 15,173,086</u>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”)**

**General Information about the Pension Plan**

Plan Description

The City contribution to the California Public Employees Retirement System (“CalPERS”), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. CalPERS act as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the annual actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits provisions under both plans are established by the State statute and City resolution as follows:

	Miscellaneous Plan		Safety Plan	
	Classic*	PEPRA	Classic*	PEPRA
	Prior to	On or after	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50	minimum 52	minimum 50	minimum 50
Monthly benefits, as a % of eligible compensation	2.000% - 2.700%	1.000% - 2.500%	3.00%	2.000% - 2.700%
Required employee contribution rates	8.000%	5.750%	9.000%	12.750%
Required employer contribution rates	11.289%	11.289%	23.654%	13.786%

\* Closed to new entrants

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

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

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

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

*Benefit Provided (Continued)*

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 6 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree’s designated survivor(s), or to the retiree’s estate.

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

*Employees Covered by Benefit Terms*

At the June 30, 2019 measurement date, the following employees were covered by the benefit terms:

	Miscellaneous	Safety	
		Classic	PEPRA
Active employees	251	50	23
Transferred and terminated employees	404	43	6
Retired Employees and Beneficiaries	356	209	-
Total	1,011	302	29

*Contribution Description*

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 the 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.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

**Net Pension Liability**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

<sup>1</sup>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.

*Change in Assumptions*

There were no changes in assumptions.

*Long-Term Expected Rate of Return*

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

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



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

**Net Pension Liability (Continued)**

**Long-Term Expected Rate of Return (Continued)**

The expected real rate of return by asset class as followed:

Asset Class <sup>1</sup>	Current Target Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
	<u>100.00%</u>		

<sup>1</sup> In CalPERS’s CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used.

<sup>3</sup> An expected inflation of 2.92% used.

**Discount Return**

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

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

**Changes in the Net Pension Liability**

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

	<b>Miscellaneous Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2018 (Valuation Date)	\$ 159,161,065	\$ 121,711,433	\$ 37,449,632
Changes Recognized for the Measurement Period:			
Service Cost	2,870,032	-	2,870,032
Interest on the total pension liability	11,164,341	-	11,164,341
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(1,377,295)	-	(1,377,295)
Contributions from the employer	-	3,679,801	(3,679,801)
Contributions from employees	-	1,242,553	(1,242,553)
Net investment income	-	7,937,313	(7,937,313)
Administrative expenses	-	(86,856)	86,856
Plan to plan resource movement	-	-	-
Other Miscellaneous Income/(Expense)	-	282	(282)
Benefit payments, including refunds of employee contributions	(6,148,296)	(6,148,296)	-
Net Changes during July 1, 2018 to June 30, 2019	6,508,782	6,624,797	(116,015)
Balance at June 30, 2019 (Measurement Date)	\$ 165,669,847	\$ 128,336,230	\$ 37,333,617

**Proportionate Share of Net Pension Liability and Pension Expense**

The following table shows the City’s safety plan’s proportionate share of the risk pool collective net pension liability over the measure period.

	<b>Safety Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2018 (Measurement Date)	\$ 174,023,559	\$ 123,864,509	\$ 50,159,050
Balance at June 30, 2019 (Measurement Date)	180,934,436	127,050,942	53,883,494
Net Changes during 2018-2019	6,910,877	3,186,433	3,724,444

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

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

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

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

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City’s share of contributions made during the measurement period.

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

	Safety Plan
6/30/2018 (Measurement Date)	0.520520%
6/30/2019 (Measurement Date)	0.525840%
Change - Increase (Decrease)	0.005320%

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

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

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability 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:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Miscellaneous Plan	\$ 61,195,468	\$ 37,333,617	\$ 17,853,219
Safety Plan	\$ 78,679,362	\$ 53,883,494	\$ 33,554,767

*Pension Plan Fiduciary Net Position*

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

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

For the year ended June 30, 2020, the City recognized pension expense in the amounts of \$6,788,260 and \$8,322,621 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Miscellaneous Plan</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contribution after measurement date	\$ 4,203,951	\$ -
Changes of assumptions	-	(122,902)
Difference between expected and actual experience	221,783	(847,566)
Net difference between projected and actual earning on pension plan investments	-	(530,483)
Total	\$ 4,425,734	\$ (1,500,951)

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

**A. California Public Employees’ Retirement System (“CalPERS”) (Continued)**

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

	<b>Safety Plan</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contribution after measurement date	\$ 4,957,802	\$ -
Changes of assumptions	2,208,591	(431,004)
Difference between expected and actual experience	3,518,106	-
Net difference between projected and actual earning on pension plan investments	-	(741,259)
Adjustment due to differences in proportions	598,460	(249,772)
Employer contributions in excess (under) proportionate contributions	-	(2,927,104)
Total	\$ 11,282,959	\$ (4,349,139)

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and the safety risk pool for the measurement date ending June 30, 2019 is 2.6 and 3.8 years, which was obtained by dividing the total service years of 2,600 and 530,470 (the sum of remaining service lifetimes of the active employees) by 997 and 140,593 (the total number of participants: active, inactive, and retired), respectively. Inactive employees and retirees have remaining service lifetime equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

\$4,203,951 and \$4,957,802 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City’s contributions subsequent to the measurement date during the year ended June 30, 2020 will be recognized as a reduction of the net pension liability and collective net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources Miscellaneous	Deferred Outflows/ (Inflows) of Resources Safety
2021	\$ 68,309	\$ 2,334,177
2022	(1,320,924)	(966,199)
2023	(164,952)	463,813
2024	138,399	144,227
2025	-	-
Thereafter	-	-
Total	\$ (1,279,168)	\$ 1,976,018

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**B. Supplemental Retirement Plan**

**General Information about the Pension Plan**

*Plan Description*

Effective July 1, 2002, the City established a supplemental retirement plan with the Public Agency Retirement System (“PARS”). The supplemental retirement plan administered by PARS (the “PARS plan”) is an agent multiple-employer defined benefit pension plan. The PARS plan is separated into two tiers. The PARS plan was organized under the authority of the City Council and may be amended by the City Council.

*Benefits Provided*

Tier one provides for the difference between the 3% at 55 benefits and the 2.7% at 55 benefits for years of service to the City. Eligibility to receive benefits is as follows:

- Must be a full-time Top Management miscellaneous (non-safety) employee of the City of South Gate on or after July 1, 2002. Employees hired after December 31, 2012 are not eligible to participate in the Plan.
- Must have completed three years of full-time continuous employment with the City prior to retirement.
- Must concurrently retire from PERS at the time of application for benefits under this plan.
- Must either 1) be at least fifty-five years of age, if retirement is concurrent with separation from the City or 2) be at least sixty years of age.
- Must apply for the benefits, and meet the age requirements.

Tier two provides a monthly lifetime annuity payment to eligible employees in lieu of post-employment health care benefits. Eligibility to receive benefits is as follows:

- Must have retired from the City with 20 or more years of service.
- Must remain retired.
- Must not participate in the PERS health plan offered by the City

*Employees Covered by Benefit Terms*

At June 30, 2019, the valuation date, plan membership consisted of the following:

Active employees	2
Terminated employees	-
Retired Employees and Beneficiaries	30
Total	32

*Contributions*

The employer contribution rates for all public employees are determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The total plan contributions are determined by an independent pension actuary using information furnished by the City and by PARS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the measurement period ended June 30, 2019 (the measurement date), the employer’s contribution rate was 11.97% of annual payroll. For the year ended June 30, 2020, the City contributed \$96,005 for the plan. No contributions are required from the employees.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**B. Supplemental Retirement Plan (Continued)**

**Net Pension Liability**

The City’s total pension liability was valued as of June 30, 2019 and was used to calculate the net pension liability measured as of June 30, 2019.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal , level percent of pay
Amortization Method	Closed period, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Salary Increases	2.75% (same as CalPERS). Additional merit-based increases based on CalPERS merit salary increase tables.
Investment return	6.50%
Mortality	Based on CalPERS tables

**Long-Term Expected Real Rate of Return**

The long-term expected rate of return is determined using a weighted-average of the long-term rate of return for the two funds, weighted by balance per fund as of the Measurement Date. The table below reflects long-term expected real return adjusted for inflation by asset classes:

<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
PARS HCM Index Plus - Balanced	99.75%	6.51%
PARS Money Market Fund	0.25%	3.05%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability is 6.52%. This is the expected long-term rate of return on City assets using the expected long-term rate of return on invested assets provided by Public Agency Retirement Services (PARS). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position is projected to cover all future pension payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 10 – Retirement Plans (Continued)**

**B. Supplemental Retirement Plan (Continued)**

**Change in Net Pension Liability**

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
Balance at June 30, 2018	\$ 1,492,645	\$ 1,052,948	\$ 439,697
Changes Recognized for the Measurement Period:			
Service Cost	6,565	-	6,565
Interest on the total pension liability	94,584	-	94,584
Changes of benefit terms	-	-	-
Difference between expected and actual experience	62,961	-	62,961
Changes of assumptions	3,036	-	3,036
Contributions from the employer	-	101,362	(101,362)
Contributions from employees	-	-	-
Net investment income	-	64,637	(64,637)
Benefit payments, including refunds	(97,041)	(97,041)	-
Administrative expense	-	(5,307)	5,307
Net Changes during July 1, 2018 to June 30, 2019	70,105	63,651	6,454
Balance at June 30, 2019 (Measurement Date)	<u>\$ 1,562,750</u>	<u>\$ 1,116,599</u>	<u>\$ 446,151</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	<b>Discount Rate 1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>Discount Rate 1% Increase (7.50%)</b>
Plan's Net Pension Liability	\$ 611,529	\$ 446,151	\$ 305,693

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available upon request.



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 10 – Retirement Plans (Continued)**

**B. Supplemental Retirement Plan (Continued)**

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

For the measurement period ended June 30, 2019, the City incurred pension expense in the amount of \$62,205 for the PARS plan. At June 30, 2020, the City reported deferred outflows and deferred inflows of resources related to PARS plan as follows:

	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Pension contribution after measurement date	\$ 96,005	\$ -
Changes of assumptions	36,182	-
Difference between expected and actual experience	53,421	
Projected earning on pension plan investments in excess of actual earnings	2,635	-
Total	<u>\$ 188,243</u>	<u>\$ -</u>

\$96,005 reported as deferred outflows of resources related to pension contribution resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2020 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ 13,049
2022	18,089
2023	18,088
2024	16,589
2025	15,795
Thereafter	10,628
Total	<u>\$ 92,238</u>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 11 – Other Postemployment Benefits**

**A. Plan Description**

The City provides extended health care benefits to eligible employees as required by collective bargaining agreements through a single-employer defined benefit post-employment healthcare plan. Miscellaneous employees, safety employees and top management who retire from the City with a minimum of 20 years of continuous PERS service and at least age 50, are eligible for this benefit. Benefits do not continue to the surviving spouses.

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled), with five years of service and are eligible for a PERS pension and are enrolled in a CalPERS retiree health plan. The City pays an administrative fee to CalPERS for retirees enrolled in a PERS health plan for five or more years. The City pays for 100% of premium up to a maximum (\$150/month for 2019, plus the current CalPERS administrative fee. For the 2019, the premiums paid by the city were \$150, \$200, and \$250 per month for miscellaneous employees, top management, and safety employees retired before July 1, 2005 respectively. For safety employees retired after July 1, 2005, the City pays up to the two-party Kaiser rate in effect on July 1, 2005 and increased up to 5% annually for those hired before November 26, 2014 and up to the two-party Kaiser rate in effect on date of retirement for those hired on or after November 26, 2014. The benefits are available only to employees who retire from the City.

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Active employees	329	
Retired employees and beneficiaries	171	
	500	

**B. Funding Policy**

Retirees participating in PEMHCA are responsible for the payment of their medical insurance premiums except that the City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The amount contributed by the City during the year ended June 30, 2020 was \$664,556, on a pay-as-you-go basis.

**C. Actuarial Assumptions**

The City’s total OPEB liability was valued as of June 30, 2019, and was used to calculate the net OPEB liability measured as of June 30, 2019. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Salary
Actuarial Assumptions:	
Discount Rate	3.13%
Inflation	2.50%
Salary Increases	2.750%. Additional merit-based increases based on CalPERS merit salary increase tables.
Healthcare cost trend rates	7.00% in the first year, trending down to 3.84% over 56 years.
Mortality Rate Table	Based on CalPERS tables.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 11 – Other Postemployment Benefits (Continued)**

**D. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.13%. The City’s OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

**E. Change in the Total OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2018	\$ 31,063,109	\$ -	\$ 31,063,109
Changes Recognized for the Measurement Period:			
Service Cost	1,094,006	-	1,094,006
Interest on the total OPEB liability	1,147,746	-	1,147,746
Difference between expected and actual experience	(6,638,431)	-	(6,638,431)
Changes of assumptions	(652,631)	-	(652,631)
Contributions from the employer	-	902,892	(902,892)
Benefit payments, including refunds of employee contributions and implicit subsidy	(902,892)	(902,892)	-
Net Changes during July 1, 2018 to June 30, 2019	<u>(5,952,202)</u>	<u>-</u>	<u>(5,952,202)</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 25,110,907</u>	<u>\$ -</u>	<u>\$ 25,110,907</u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (2.13%) or 1-percentage point higher (4.13%) than the current discount rate:

<b>Plan's OPEB Liability/(Asset)</b>		
<b>Discount Rate - 1%</b>	<b>Current Discount Rate</b>	<b>Discount Rate + 1%</b>
<b>(2.13%)</b>	<b>Rate (3.13%)</b>	<b>(4.13%)</b>
<u>\$ 29,092,536</u>	<u>\$ 25,110,907</u>	<u>\$ 21,878,756</u>

***Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% to 2.84%) or 1-percentage-point higher (8%-4.84%) than the current healthcare cost trend rates:

<b>Plan's OPEB Liability/(Asset)</b>		
<b>Healthcare Cost Trend Rate - 1%</b>	<b>Healthcare Cost Trend Rate</b>	<b>Healthcare Cost Trend Rate + 1%</b>
<b>(6% to 2.84%)</b>	<b>(7% to 3.84%)</b>	<b>(8% to 4.84%)</b>
<u>\$ 22,407,701</u>	<u>\$ 25,110,907</u>	<u>\$ 28,610,501</u>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 11 – Other Postemployment Benefits (Continued)**

**F. OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense of \$1,169,078 for the City Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
OPEB contribution made after the measurement period	\$ 664,556	\$ -
Difference between expected and actual experience	-	(6,706,934)
Changes of assumptions	375,756	(951,885)
Total	\$ 1,040,312	\$ (7,658,819)

\$664,556 reported as deferred outflows of resources related to OPEB resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amount reported as deferred inflows of resources related to OPEB will be recognized in the future OPEB expense as follow:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ (1,072,674)
2022	(1,072,674)
2023	(1,072,674)
2024	(1,072,674)
2025	(964,552)
Thereafter	(2,027,815)
Total	\$ (7,283,063)

**Note 12 - Self Insurance**

The City is self-insured for general, automobile, public liability and worker’s compensation claims. The City has purchased an excess insurance policy for worker compensation claims from Safety National Casualty Corporation. Under this policy, Safety National covers all workers’ compensation claim expenses over \$1,000,000 per claim for safety and over \$750,000 for non-safety. An Internal Service Fund is used to account for the collection of premiums from various City departments related to the amount of workers’ compensation policy premium paid and general claims liabilities. Premiums assessed for general claim liabilities are established based on historical claims experience. The City is a member of the Independent Cities Risk Management Authority (“ICRMA”), a joint powers authority formed to provide liability insurance coverage for independent cities. Under the terms of the agreement with the Authority, the City is insured for losses above \$250,000 per claim.

A claims liability of \$8,789,673 is reported in the Self-Insurance Internal Service Fund at June 30, 2020. Claims are 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 the loss can be reasonably estimated.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 12 – Self Insurance (Continued)**

Claims activities for the three years ended June 30, 2020 are presented as follows:

Years Ended	Beginning Balance	Addition	Deletion	Ending Balance
<b>Workers' Compensation:</b>				
June 30, 2018	\$ 6,734,561	\$ 591,144	\$ (337,157)	\$ 6,988,548
June 30, 2019	6,988,548	327,091	(763,756)	6,551,883
June 30, 2020	6,551,883	-	(1,259,458)	5,292,425
<b>General Liability:</b>				
June 30, 2018	\$ 2,629,901	\$ 5,042,702	\$ (30,626)	\$ 7,641,977
June 30, 2019	7,641,977	239,600	(3,148,334)	4,733,243
June 30, 2020	4,733,243	1,174,318	(2,410,313)	3,497,248

**Note 13 - Contingencies**

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in aggregate, are not expected to have a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses, should an unfavorable outcome materialize.

In addition, the City of South Gate has land held for resale in the amount \$4,950,000 which was acquired and recorded at acquisition cost. Due to the potential sale of the land in the future, the City may recognize a potential loss due to the fair market of the asset at the time of sale.

**Note 14 - Construction Commitments**

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitments
Firestone Blvd Median Island-Alameda	\$ 14,091,347	\$ 12,871,259	\$ 1,220,088
Software for Business License and Building Permit	490,400	416,390	74,010

**Note 15 – Deficit Fund Balances and Net Position**

**A. Government-Wide Financial Statements**

The City's Statement of Net Position shows an unrestricted deficit net position of \$45,397,981, resulting mainly from the implementation of GASB Statement No.'s 68 and 75 that required the City to report \$91,663,262 in aggregate net pension liability and \$25,110,907 in net OPEB liability in the City's financial statements.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 15 – Deficit Fund Balances and Net Position (Continued)**

**B. Fund Financial Statements**

The following funds contained a deficit at June 30, 2020:

Funds	Deficit
Governmental Funds:	
Grants Special Revenue	\$ 1,030,493
Nonmajor Governmental Funds:	
Traffic Safety Special Revenue	1,214,065
Gas Tax	1,448,294
Street Lighting & Landscaping	653,939
Enterprise Funds:	
Sewer	4,919,940
Internal Service Funds:	
Insurance	189,223
Fleet Management	1,577,308
Fiduciary Funds:	
Successor Agency of the Former CDC	12,666,678

These deficits will be funded with future revenue.

**Note 16 - Excess Expenditures over Appropriations**

Expenditures for the year ended June 30, 2020, exceeded appropriations at the department or expenditure category level within the following funds:

Fund	Appropriations	Expenditures	Excess
General Fund:			
City Clerk	\$ 624,170	\$ 703,890	\$ (79,720)
City Attorney	1,124,437	1,312,201	(187,764)
Administrative Services	3,325,628	3,499,676	(174,048)
Grants Special Revenue Fund:			
Community development	-	4,848	(4,848)
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Housing Authority			
Community development	4,706,936	5,049,412	(342,476)
Housing Successor			
Community development	70,000	108,415	(38,415)
Gas Tax Fund			
Capital outlay	30,224	41,431	(11,207)
Road Repair & Accountability Act			
Public works	-	395	(395)
Park Enhancement			
Parks & recreation	-	50,070	(50,070)
Capital outlay	17,539	17,539	-

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 17 - Successor Agency Trust for Assets of Former Community Development Commission**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of South Gate that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 7473.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Successor Agency to the Former Improvement Agency is reported as a fiduciary fund (private purpose trust fund).

**A. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	\$	1,326,137
Cash and investments with fiscal agent		3,931,514
<b>Total cash and investments</b>	<b>\$</b>	<b>5,257,651</b>

The Successor Agency’s funds are pooled with the City’s cash and investments in order to generate optimum interest income. See Note 2 for additional disclosures.

**B. Notes and Loans Receivable**

	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
	<b>July 1, 2019</b>			<b>June 30, 2020</b>
Family Trust Dudlex Housing Project	\$ 307,322	\$ -	\$ (51,222)	\$ 256,100

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 17 - Successor Agency Trust for Assets of Former Community Development Commission (Continued)**

**B. Notes and Loans Receivable (Continued)**

On April 5, 1994, the Community Development Commission of the City of South Gate entered into a Disposition and Development Agreement with South Gate Realty Group for the development of certain Real property. South Gate Realty Group owns and operates a housing project located within the boundaries of the South Gate Community Development Commission at 8931 Dudlext Avenue consisting of 20 senior 1-bedroom units. South Gate Realty Group must comply with Housing and Urban Development (HUD) rents for 30 years from the certificate of occupancy date. The agreement states that 1/30th of the loan amount (\$51,222) will be forgiven each fiscal year starting from the occupancy date if South Gate Realty Group can illustrate compliance with the Disposition and Development Agreement (DDA). The DDA limits the rent at \$620 per unit less \$50 utility allowance for a net of \$570 per month or less. The compliance report is required to be submitted to the City each month in order to receive the \$51,222 annual forgiveness. At June 30, 2020, the outstanding balance on the loan is \$256,100.

**C. Capital Assets**

The summary of changes in the successor agency's capital assets for the year ended June 30, 2020 is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 1,686,000	\$ -	\$ -	\$ 1,686,000
<b>Total capital assets, not being depreciated</b>	<b>1,686,000</b>	<b>-</b>	<b>-</b>	<b>1,686,000</b>
<b>Capital assets, being depreciated:</b>				
Structures and improvements	381,785	-	-	381,785
Machinery and equipment	19,359	-	-	19,359
<b>Subtotal</b>	<b>401,144</b>	<b>-</b>	<b>-</b>	<b>401,144</b>
<b>Less accumulated depreciation</b>				
Structures and improvements	(240,203)	(19,089)	-	(259,292)
Machinery and equipment	(19,359)	-	-	(19,359)
<b>Subtotal</b>	<b>(259,562)</b>	<b>(19,089)</b>	<b>-</b>	<b>(278,651)</b>
<b>Total capital assets, being depreciated</b>	<b>141,582</b>	<b>(19,089)</b>	<b>-</b>	<b>122,493</b>
<b>Total capital assets, net</b>	<b>\$ 1,827,582</b>	<b>\$ (19,089)</b>	<b>\$ -</b>	<b>\$ 1,808,493</b>



**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 17 - Successor Agency Trust for Assets of Former Community Development Commission (Continued)**

**D. Long-Term Liabilities**

The summary of changes in the successor agency's long-term liabilities for the year ended June 30, 2020 is as follows:

	Balance			Balance June 30, 2020	Classification	
	July 1, 2019	Additions	Deletions		Due within One Year	Due in More Than One Year
<b>Fiduciary Activities:</b>						
Advances from City	\$ 310,000	\$ -	\$ (310,000)	\$ -		\$ -
<b>Public Offering:</b>						
Tax allocation bonds:						
2014A Tax Allocation Bonds	19,460,000	-	(2,870,000)	16,590,000	3,000,000	13,590,000
Unamortized premium	2,338,615	-	(389,769)	1,948,846	389,769	1,559,077
2014B Tax Allocation Bonds	2,460,000	-	(380,000)	2,080,000	390,000	1,690,000
Unamortized discount	(25,551)	-	5,111	(20,440)	(5,111)	(15,329)
Total tax allocation bonds	24,233,064	-	(3,634,658)	20,598,406	3,774,658	16,823,748
<b>Total</b>	<b>\$ 24,543,064</b>	<b>\$ -</b>	<b>\$ (3,944,658)</b>	<b>\$ 20,598,406</b>	<b>\$ 3,774,658</b>	<b>\$ 16,823,748</b>

Advances from the City

In July 1999, a \$3,625,000 advance was made between the Community Development Block Grant Special Revenue Fund and the Community Development Commission. The Community Development Block Grant Special Revenue fund received a \$3,625,000 Section 108 loan from the U.S. Department of Housing and Urban Development and loaned the proceeds to the Commission to help fund the development of the Towne Center Plaza. On May 16, 2014, the Department of Finance issued a letter to the City stating that the \$3,625,000 advance was not an enforceable obligation. On April 24, 2015, the City formally filed a Court petition against the Department of Finance for disapproving the loan as an enforceable obligation. The City won a court hearing on May 6, 2016 that resulted in the enforcement of the obligation.

The interest rate on the note is 6% and the repayment date corresponds with the repayment of the Towne Center Plaza loan receivable, which is semi-annually on August 1st and February 1st of each year. The advances were fully paid off as of June 30, 2020.

2014 Tax Allocation Revenue Refunding Bonds

In July 2014, the County of Los Angeles Redevelopment Refunding Authority issued \$29,835,000 in 2014 Tax Allocation Revenue Refunding Bonds, Series A, South Gate Redevelopment Project No. 1 with an average interest rate of 4.36% and \$3,920,000 in 2014 Tax Allocation Revenue Refunding Bonds, Series B, South Gate Redevelopment Project No. 1 with an average interest rate of 2.65% to refund the outstanding balance of the 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds.

The 2014 Tax Allocation Revenue Bonds, Series A mature in amounts ranging from \$2,570,000 to \$3,650,000 with interest rates ranging from 2% to 5% through September 1, 2024. Interest on the bonds is payable on March 1, 2015 and semi-annually thereafter on September 1 and March 1 of each year.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 17 - Successor Agency Trust for Assets of Former Community Development Commission (Continued)**

**D. Long-Term Liabilities (Continued)**

*2014 Tax Allocation Revenue Refunding Bonds (Continued)*

A reserve account is required to be maintained in an amount equal to the least of: (i) 10% of the original aggregate principal amount of the bonds; (ii) 125% of average annual debt service; or (iii) maximum annual debt service. As of June 30, 2020, the reserve requirement was \$2,983,500 and the balance held in the reserve account was \$3,040,440.

The bonds were issued at a premium of \$4,287,460. At June 30, 2020, the unamortized premium is \$1,948,846 and the outstanding balance on the bonds is \$16,590,000.

The following schedule summarizes the debt service to maturity requirements for bonds payable outstanding as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 3,000,000	\$ 754,500	\$ 3,754,500
2022	3,155,000	600,625	3,755,625
2023	3,310,000	439,000	3,749,000
2024	3,475,000	356,250	3,831,250
2025	3,650,000	182,500	3,832,500
<b>Total</b>	<b>\$ 16,590,000</b>	<b>\$ 2,332,875</b>	<b>\$ 18,922,875</b>

The 2014 Tax Allocation Revenue Bonds, Series B mature in amounts ranging from \$365,000 to \$445,000 with interest rates ranging from .70% to 4% through September 1, 2024. Interest on the bonds is payable on March 1, 2015 and semi-annually thereafter on September 1 and March 1 of each year.

A reserve account is required to be maintained in an amount equal to the least of: (i) 10% of the original aggregate principal amount of the bonds; (ii) 125% of average annual debt service; or (iii) maximum annual debt service. As of June 30, 2020, the reserve requirement was \$392,000 and the balance held in the reserve account was \$335,060.

The bonds were issued at a discount of \$51,106. At June 30, 2020, the unamortized discount is \$20,440 and the outstanding balance on the bonds is \$2,080,000.

The following schedule summarizes the debt service to maturity requirements for bonds payable outstanding as of June 30, 2020:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 390,000	\$ 68,894	\$ 458,894
2022	400,000	56,544	456,544
2023	415,000	42,522	457,522
2024	430,000	26,400	456,400
2025	445,000	8,900	453,900
<b>Total</b>	<b>\$ 2,080,000</b>	<b>\$ 203,260</b>	<b>\$ 2,283,260</b>

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 17 - Successor Agency Trust for Assets of Former Community Development Commission (Continued)**

***D. Long-Term Liabilities (Continued)***

*2014 Tax Allocation Revenue Refunding Bonds (Continued)*

The net proceeds of \$38.0 million of the 2014 Tax Allocation Revenue Refunding Bonds Series A and Series B South Gate Redevelopment Project No. 1 (after a net \$4.2 million of bond premium, discount and cost of issuance) and with \$15.6 million of amounts released from prior obligations were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds. As a result, the refunded bonds are considered to be defeased and the liability of the 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds has been removed from long term debt. The refunding decreased the total debt service payment by \$3.1 million over the next 10 years and resulted in an economic gain of \$0.8 million.

The Former Redevelopment Agency pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low/Mod Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low/Mod Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$21,206,135 with annual debt service requirements as indicated in the table above. For the current year, the total property tax revenue recognized by the Authority for the payment of indebtedness incurred by the dissolved redevelopment agency was \$4,963,204 and the debt service obligation on the bonds \$4231,124.

***E. Commitments and Contingencies***

On May 13, 1998, the Community Development Commission of the City of South Gate entered into a Disposition and Development Agreement with South Gate Villas, LLC. In accordance with this agreement, a promissory note, dated October 27, 1998, was written whereby South Gate Villas, LLC, would pay the Commission \$7,030,000. However, subject to certain provisions included in the disposition and development agreement, \$243,333 would be forgiven annually for each of the next twenty-nine years. Since the provisions indicated in the disposition and development agreement have been significantly met and the possibility of repayment is remote, no receivable has been reflected. The accounting treatment is in accordance with generally accepted accounting principles.

In addition, the Community Development Commission of the City of South Gate has land held for resale in the amount \$1,463,492 which was acquired and recorded at acquisition cost. Due to the downturn of the economic condition of the State and potential sale of the land in the future, the City may record a potential loss due to the fair market of the asset at the time of the sale.

**City of South Gate**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 18 – Lease Arrangements Between City and Utility Authority**

In November 2001, the Utility Authority leased the Water Enterprise from the City pursuant to a Lease Agreement for total lease payments of \$105,334,004 with an upfront lease payment of \$21,985,000 to be paid from the 2001 Bond proceeds. A second upfront lease payment of \$12,000,000 was made in January 2002 from funds available in the Water Enterprise Fund. A third upfront lease payment of \$6,400,000 was made from the 2012 Bond proceeds. The Lease Agreement expires on December 1, 2056. As of June 30, 2020, the outstanding balance was \$44,315,715.

In November 2001, the Utility Authority leased the Sewer Enterprise from the City pursuant to a Lease Agreement for total lease payments of \$12,798,626. The Lease Agreement expires on December 1, 2056. As of June 30, 2020, the outstanding balance was \$12,798,626.

**Note 19 – Prior Period Adjustments**

The beginning net position for governmental activities, business-type activities, Utility Authority Water Enterprise Fund, Utility Authority Sewer Enterprise Fund, and internal service funds were restated to reflect allocation of net other postemployment benefits liabilities and related deferred outflows and inflows of resources as follows:

Government-Wide Financial Statements

	Governmental Activities	Business-Type Activities
Net position at July 1, 2019, as previously reported	\$ 216,310,918	\$ 28,246,915
Prior period adjustments:		
Balances related to other postemployment benefits	3,229,137	(3,229,137)
Net position at July 1, 2019, as restated	<u>219,540,055</u>	<u>25,017,778</u>

Proprietary Fund Financial Statements

	Utility Authority Water Enterprise Fund	Utility Authority Sewer Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Net position at July 1, 2019, as previously reported	\$ 31,151,474	\$ (4,090,045)	\$ 28,246,915	\$ 3,556,036
Prior period adjustments:				
Balances related to other postemployment benefits	(2,619,474)	(609,663)	(3,229,137)	(997,990)
Net position at July 1, 2019, as restated	<u>\$ 28,532,000</u>	<u>\$ (4,699,708)</u>	<u>\$ 25,017,778</u>	<u>\$ 2,558,046</u>

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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 41,384,295	\$ 41,384,295	\$ 40,386,822	\$ (997,473)
Licenses and permits	1,336,941	1,401,341	1,988,477	587,136
Intergovernmental	81,425	246,337	283,239	36,902
Charges for services	2,503,179	2,503,179	1,731,802	(771,377)
Use of money and property	1,288,916	1,288,916	1,148,122	(140,794)
Fines and forfeitures	1,314,884	1,314,884	1,418,757	103,873
Miscellaneous	3,673,023	3,673,023	4,236,360	563,337
<b>Total revenues</b>	<b>51,582,663</b>	<b>51,811,975</b>	<b>51,193,579</b>	<b>(618,396)</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
City Council	308,434	308,434	267,873	40,561
City Clerk	624,170	624,170	703,890	(79,720)
City Treasurer	37,955	37,955	35,169	2,786
City Attorney	1,124,437	1,124,437	1,312,201	(187,764)
City Manager	1,398,448	1,408,151	1,166,551	241,600
Administrative Services	3,258,139	3,325,628	3,499,676	(174,048)
Total general government	<b>6,751,583</b>	<b>6,828,775</b>	<b>6,985,360</b>	<b>(156,585)</b>
Police	28,205,013	28,205,013	28,182,123	22,890
Community development	3,128,096	3,778,610	3,496,263	282,347
Parks & recreation	9,194,788	9,223,788	7,929,225	1,294,563
Public works	4,640,016	4,780,753	4,211,825	568,928
Capital outlay	38,221	368,221	26,945	341,276
Debt service:				
Principal	1,255,000	1,255,000	1,255,000	-
Interest and fiscal charges	761,241	761,241	761,208	33
<b>Total expenditures</b>	<b>53,973,958</b>	<b>55,201,401</b>	<b>52,847,949</b>	<b>2,353,452</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,391,295)</b>	<b>(3,389,426)</b>	<b>(1,654,370)</b>	<b>1,735,056</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(1,805,484)	(659,747)	1,145,737
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,805,484)</b>	<b>(659,747)</b>	<b>1,145,737</b>
<b>Net change in fund balance</b>	<b>\$ (2,391,295)</b>	<b>\$ (5,194,910)</b>	<b>(2,314,117)</b>	<b>\$ 2,880,793</b>
<b>Fund Balance:</b>				
Beginning of year			60,369,781	
End of year			<u>\$ 58,055,664</u>	



**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - Grants Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 2,156,250	\$ 4,614,964	\$ 2,458,714
<b>Total revenues</b>	<u>-</u>	<u>2,156,250</u>	<u>4,614,964</u>	<u>2,458,714</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	4,848	(4,848)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>4,848</u>	<u>(4,848)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>2,156,250</u>	<u>4,610,116</u>	<u>2,453,866</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(49,090,743)	(3,933,680)	45,157,063
<b>Total other financing uses</b>	<u>-</u>	<u>(49,090,743)</u>	<u>(3,933,680)</u>	<u>45,157,063</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (46,934,493)</u>	676,436	<u>\$ 47,610,929</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(1,706,929)	
End of year			<u>\$ (1,030,493)</u>	

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2020**

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**Budgets and Budgetary Accounting**

The City adheres to general procedures in establishing its annual budget, which is reflected in the accompanying budgetary statements and schedules. The annual budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them. Budgeted appropriations lapse at the end of the year. The City Council approves total budgeted appropriations and amendments to appropriations throughout the year. The City Council must approve budget transfers between departments, funds and activities, as well as for the use of salary and benefit appropriations for something other than salary and benefits. The departments of the General Fund are considered to be departments for purposes of this requirement. Actual expenditures may not legally exceed budgeted appropriations at the department level.

Annual budgets are adopted for all Governmental Funds on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP). Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. All appropriations lapse at year-end. Encumbrances for open purchase orders and/or ongoing projects or contracts are carried over and are added to the following year's budgeted appropriations.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

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

<b>Measurement Period</b>	<b>2018-19</b>
Service cost	\$ 2,870,032
Interest on total pension liability	11,164,341
Changes in assumptions	-
Differences between expected and actual experience	(1,377,295)
Changes in benefit terms	-
Benefit payments, including refunds of employee contributions	(6,148,296)
<b>Net change in total pension liability</b>	<b>6,508,782</b>
<b>Total pension liability - beginning</b>	<b>159,161,065</b>
<b>Total pension liability - ending (a)</b>	<b>\$165,669,847</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 3,679,801
Contributions - employee	1,242,553
Net investment income <sup>2</sup>	7,937,313
Benefit payments	(6,148,296)
Plan to plan resources movement	-
Administrative expense	(86,856)
Other Miscellaneous Income/(Expense)	282
<b>Net change in plan fiduciary net position</b>	<b>6,624,797</b>
<b>Plan fiduciary net position - beginning</b>	<b>121,711,433</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$128,336,230</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 37,333,617</b>
Plan fiduciary net position as a percentage of the total pension liability	77.47%
Covered payroll	\$ 15,190,177
Net pension liability as a percentage of covered payroll	245.77%

**Notes:**

**Benefit changes:** the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden

**Changes in assumptions:** None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent, net of administrative expense, to 7.65 percent, without a reduction for pension plan administrative expense. In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

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

<b>Measurement Period</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14<sup>1</sup></b>
Service cost	\$ 2,850,621	\$2,604,468	\$2,261,496	\$2,160,710	\$ 2,209,895
Interest on total pension liability	10,723,300	10,183,905	9,807,665	9,431,040	9,016,106
Changes in assumptions	(532,576)	9,063,137	-	(2,453,625)	-
Differences between expected and actual experience	961,061	(1,443,448)	(1,238,446)	(399,523)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,927,517)	(5,664,414)	(5,601,315)	(5,359,664)	(5,203,224)
<b>Net change in total pension liability</b>	<b>8,074,889</b>	<b>14,743,648</b>	<b>5,229,400</b>	<b>3,378,938</b>	<b>6,022,777</b>
<b>Total pension liability - beginning</b>	<b>151,086,176</b>	<b>136,342,528</b>	<b>131,113,128</b>	<b>127,734,190</b>	<b>121,711,413</b>
<b>Total pension liability - ending (a)</b>	<b>\$159,161,065</b>	<b>\$151,086,176</b>	<b>\$136,342,528</b>	<b>\$131,113,128</b>	<b>\$127,734,190</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,025,649	\$ 2,807,597	\$ 2,371,025	\$ 1,749,186	\$ 1,971,806
Contributions - employee	1,239,580	1,119,350	1,117,889	1,028,703	963,778
Net investment income <sup>2</sup>	9,588,212	11,577,937	511,739	2,339,332	15,942,156
Benefit payments	(5,927,517)	(5,664,414)	(5,601,315)	(5,359,664)	(5,203,224)
Plan to plan resources movement	(282)	936	(254)	(119,756)	-
Administrative expense	(178,114)	(154,457)	(64,773)	4,871	-
Other Miscellaneous Income/(Expense)	(338,242)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>7,409,286</b>	<b>9,686,949</b>	<b>(1,665,689)</b>	<b>(357,328)</b>	<b>13,674,516</b>
<b>Plan fiduciary net position - beginning</b>	<b>114,302,147</b>	<b>104,615,198</b>	<b>106,280,887</b>	<b>106,638,215</b>	<b>92,963,699</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$121,711,433</b>	<b>\$114,302,147</b>	<b>\$104,615,198</b>	<b>\$106,280,887</b>	<b>\$106,638,215</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 37,449,632</b>	<b>\$ 36,784,029</b>	<b>\$ 31,727,330</b>	<b>\$ 24,832,241</b>	<b>\$ 21,095,975</b>
Plan fiduciary net position as a percentage of the total pension liability	76.47%	75.65%	76.73%	81.06%	83.48%
Covered payroll	\$ 14,926,282	\$ 13,777,340	\$ 13,452,475	\$ 12,677,247	\$ 12,254,729
Net pension liability as a percentage of covered payroll	250.90%	266.99%	235.85%	195.88%	172.15%

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

**Notes:**

**Benefit changes:** the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden

**Changes in assumptions:** None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent, net of administrative expense, to 7.65 percent, without a reduction for pension plan administrative expense. In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2020**

Last Ten Fiscal Years

**PARS - Supplemental Retirement Plan**

<b>Measurement Period</b>	<b>2018-19</b>
Service cost	\$ 6,565
Interest on total pension liability	94,584
Differences between expected and actual experience	62,961
Changes in assumptions	3,036
Changes in benefit terms	-
Benefit payments, including refunds of employee contributions	(97,041)
<b>Net change in total pension liability</b>	<b>70,105</b>
<b>Total pension liability - beginning</b>	<b>1,492,645</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,562,750</b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 101,362
Contributions - employee	-
Net investment income	64,637
Benefit payments	(97,041)
Administrative expense	(5,307)
<b>Net change in plan fiduciary net position</b>	<b>63,651</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,052,948</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,116,599</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 446,151</b>
Plan fiduciary net position as a percentage of the total pension liability	71.45%
Covered payroll	\$ 312,672
Net pension liability as a percentage of covered payroll	142.69%

**Notes:**

**Changes in assumptions:** In 2019, discount rate changed from 6.52% to 6.50%.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

**PARS - Supplemental Retirement Plan**

<b>Measurement Period</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14<sup>1</sup></b>
Service cost	\$ 6,173	\$ -	\$ 9,276	\$ 9,006	\$ 20,273
Interest on total pension liability	97,115	-	95,683	94,489	91,587
Differences between expected and actual experience	-	-	-	(29,211)	-
Changes in assumptions	32,997	13,920	-	63,351	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(86,425)	-	(85,995)	(86,885)	(80,278)
<b>Net change in total pension liability</b>	<b>49,860</b>	<b>13,920</b>	<b>18,964</b>	<b>50,750</b>	<b>31,582</b>
<b>Total pension liability - beginning</b>	<b>1,442,785</b>	<b>1,428,865</b>	<b>1,409,901</b>	<b>1,359,151</b>	<b>1,327,569</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,492,645</b>	<b>\$ 1,442,785</b>	<b>\$ 1,428,865</b>	<b>\$ 1,409,901</b>	<b>\$ 1,359,151</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 89,422	\$ -	\$ 89,262	\$ 92,402	\$ 108,819
Contributions - employee	-	-	-	-	-
Net investment income	62,482	-	91,701	10,118	18,658
Benefit payments	(86,425)	-	(85,995)	(86,885)	(80,278)
Administrative expense	(8,712)	-	(4,851)	(4,517)	(4,503)
<b>Net change in plan fiduciary net position</b>	<b>56,767</b>	<b>-</b>	<b>90,117</b>	<b>11,118</b>	<b>42,696</b>
<b>Plan fiduciary net position - beginning</b>	<b>996,181</b>	<b>996,181</b>	<b>906,064</b>	<b>894,946</b>	<b>852,250</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,052,948</b>	<b>\$ 996,181</b>	<b>\$ 996,181</b>	<b>\$ 906,064</b>	<b>\$ 894,946</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 439,697</b>	<b>\$ 446,604</b>	<b>\$ 432,684</b>	<b>\$ 503,837</b>	<b>\$ 464,205</b>
Plan fiduciary net position as a percentage of the total pension liability	70.54%	69.05%	69.72%	64.26%	65.85%
Covered payroll	\$ 289,767	\$ 282,012	\$ 277,966	\$ 260,000	\$ 720,372
Net pension liability as a percentage of covered payroll	151.74%	158.36%	155.66%	193.78%	64.44%

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

**Notes:**

**Changes in assumptions:** In 2018, discount rate changed from 6.75% to 6.52%; payroll growth rate changed from 2.875% to 2.750%.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

<b>Measurement Period</b>	<b>2018-19</b>
Proportion of the Net Pension Liability	0.52584%
Proportionate Share of the Net Pension Liability	\$ 53,883,494
Covered Payroll	<u>\$ 8,138,937</u>
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	<u>662.05%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.22%</u>

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

<b>Measurement Period</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14<sup>1</sup></b>
Proportion of the Net Pension Liability	52.05200%	0.49939%	0.50255%	0.49730%	0.46523%
Proportionate Share of the Net Pension Liability	\$ 50,159,050	\$ 49,525,601	\$ 43,486,293	\$ 34,133,907	\$ 28,948,876
Covered Payroll	<u>\$ 8,109,044</u>	<u>\$ 7,968,440</u>	<u>\$ 7,367,602</u>	<u>\$ 7,077,495</u>	<u>\$ 6,919,179</u>
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	<u>618.56%</u>	<u>621.52%</u>	<u>590.24%</u>	<u>482.29%</u>	<u>418.39%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>71.18%</u>	<u>70.47%</u>	<u>71.79%</u>	<u>77.47%</u>	<u>81.02%</u>

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.



**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

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

Fiscal year	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 4,203,951	\$ 3,679,801
Contributions in relation to the actuarially determined contributions	<u>(4,203,951)</u>	<u>(3,679,801)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2,3</sup>	\$ 15,607,907	\$ 15,190,177
Contributions as a percentage of covered payroll <sup>2</sup>	26.93%	24.22%

<sup>2</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17

**Notes to Schedule**

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

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

Fiscal year	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> <sup>1</sup>
Actuarially determined contribution	\$ 3,025,649	\$ 2,807,597	\$ 2,371,025	\$ 1,901,745	\$ 1,819,247
Contributions in relation to the actuarially determined contributions	<u>(3,025,649)</u>	<u>(2,807,597)</u>	<u>(2,371,025)</u>	<u>(1,901,745)</u>	<u>(1,819,247)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2,3</sup>	\$ 14,926,282	\$ 13,777,340	\$ 13,452,475	\$ 12,677,247	\$ 12,254,729
Contributions as a percentage of covered payroll <sup>2</sup>	20.27%	20.38%	17.63%	15.00%	14.85%

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

<sup>2</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17

**Notes to Schedule**

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Safety**

Fiscal year	<b>2019-20</b>	<b>2018-19</b>
Actuarially determined contribution	\$ 4,957,802	\$ 4,399,729
Contributions in relation to the actuarially determined contributions	(4,957,802)	(4,399,729)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll <sup>2,3</sup>	\$ 8,362,758	\$ 8,138,937
Contributions as a percentage of covered payroll <sup>2</sup>	59.28%	54.06%

<sup>2</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17

**Notes to Schedule**

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Safety**

Fiscal year	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> <sup>1</sup>
Actuarially determined contribution	\$ 3,802,971	\$ 3,802,971	\$ 3,000,801	\$ 2,086,240	\$ 1,976,256
Contributions in relation to the actuarially determined contributions	<u>(3,802,971)</u>	<u>(3,802,971)</u>	<u>(3,000,801)</u>	<u>(2,086,240)</u>	<u>(1,976,256)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2,3</sup>	\$ 8,109,044	\$ 7,968,440	\$ 7,367,602	\$ 7,077,495	\$ 6,919,179
Contributions as a percentage of covered payroll <sup>2</sup>	46.90%	47.73%	40.73%	29.48%	28.56%

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

<sup>2</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17

**Notes to Schedule**

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

**PARS - Supplemental Retirement Plan**

Fiscal year	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 86,425	\$ 71,442
Contributions in relation to the actuarially determined contributions	<u>(101,362)</u>	<u>(89,422)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ (14,937)</u>	<u>\$ (17,980)</u>
Covered payroll	\$ 320,489	\$ 312,672
Contributions as a percentage of covered payroll	31.63%	28.60%

**Notes to Schedule**

Valuation date: June 30, 2019

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Closed period, level percent of pay
Asset valuation method	Fair market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Cost of living adjustment	2.75%
Investment rate of return	6.50% for 2020, 6.52% for 2019
Retirement age	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

**PARS - Supplemental Retirement Plan**

Fiscal year	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14 <sup>1</sup></u>
Actuarially determined contribution	\$ 62,388	\$ 65,461	\$ 61,230	\$ 89,000	\$ 84,594
Contributions in relation to the actuarially determined contributions	<u>-</u>	<u>(89,262)</u>	<u>(92,402)</u>	<u>(108,819)</u>	<u>(144,907)</u>
<b>Contribution deficiency (excess)</b>	<u><u>\$ 62,388</u></u>	<u><u>\$ (23,801)</u></u>	<u><u>\$ (31,172)</u></u>	<u><u>\$ (19,819)</u></u>	<u><u>\$ (60,313)</u></u>
Covered payroll	\$ 289,767	\$ 282,012	\$ 277,966	\$ 260,000	\$ 720,372
Contributions as a percentage of covered payroll	0.00%	31.65%	33.24%	41.85%	20.12%

<sup>1</sup> Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

**Notes to Schedule**

Valuation date: June 30, 2017

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Closed period, level percent of pay
Asset valuation method	Fair market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Cost of living adjustment	2.875%
Investment rate of return	6.75%
Retirement age	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

<b>Measurement Period</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17<sup>1</sup></b>
Service cost	\$ 1,094,006	\$ 1,102,741	\$ 1,071,923
Interest on total OPEB liability	1,147,746	1,064,551	1,036,683
Differences between expected and actual experience	(6,638,431)	-	(1,503,666)
Changes in assumptions	(652,631)	(526,077)	650,700
Changes in benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(902,892)	(834,408)	(799,760)
<b>Net change in total OPEB liability</b>	<b>(5,952,202)</b>	<b>806,807</b>	<b>455,880</b>
<b>Total OPEB liability - beginning</b>	<b>31,063,109</b>	<b>30,256,302</b>	<b>29,800,422</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 25,110,907</b>	<b>\$ 31,063,109</b>	<b>\$ 30,256,302</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 902,892	\$ 834,408	\$ 799,760
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(902,892)	(834,408)	(799,760)
Recognized difference in proportion	-	-	-
Plan to plan resources movement	-	-	-
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a)-(b)</b>	<b>\$ 25,110,907</b>	<b>\$ 31,063,109</b>	<b>\$ 30,256,302</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 22,695,615	\$ 20,739,803	\$ 20,184,723
Net OPEB liability as a percentage of covered-employee payroll	110.64%	149.78%	149.90%

<sup>1</sup> Historical information is presented only for periods for which GASB 75 is implemented. The first year of implementation is 2016-17.

**City of South Gate**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Other Postemployment Benefits**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

Fiscal year	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17 <sup>1</sup></u>
Actuarially determined contribution	\$ 752,739	\$ 902,892	\$ 834,408	\$ 799,760
determined contributions	(664,556)	(902,892)	(834,408)	(799,760)
<b>Contribution deficiency (excess)</b>	<u>\$ 88,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll <sup>2</sup>	\$ 23,319,744	\$ 22,695,615	\$ 20,739,803	\$ 20,184,723
Contributions as a percentage of covered payroll	2.85%	3.98%	4.02%	3.96%

<sup>1</sup> Historical information is presented only for periods for which GASB 75 is implemented. The first year of implementation is 2016-17.

<sup>2</sup> Payroll from prior year was assumed to increase by the 2.75% payroll growth assumption.

**Notes to Schedule**

Valuation date: June 30, 2019

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Discount Rate	3.13%
Inflation	2.50%
Healthcare Cost Trend Rate	7.00% trending down to 3.84% over 56 years
Salary increases	2.75%
Retirement age	According to the retirement rates under the most recent CalPERS pension plan experience study.
Mortality	According to the mortality rates under the CalPERS pension plan updated to reflect the most recent experience study



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**SUPPLEMENTARY INFORMATION**

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**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Improvement Projects Capital Projects Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 558,228	\$ 325,153	\$ (233,075)
<b>Total revenues</b>	<u>-</u>	<u>558,228</u>	<u>325,153</u>	<u>(233,075)</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	68,058,573	6,694,136	61,364,437
<b>Total expenditures</b>	<u>-</u>	<u>68,058,573</u>	<u>6,694,136</u>	<u>61,364,437</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(67,500,345)</u>	<u>(6,368,983)</u>	<u>61,131,362</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	437,360	63,514,626	6,417,683	(57,096,943)
Transfers out	-	-	(124,914)	(124,914)
<b>Total other financing sources (uses)</b>	<u>437,360</u>	<u>63,514,626</u>	<u>6,292,769</u>	<u>(57,221,857)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 437,360</u>	<u>\$ (3,985,719)</u>	<u>(76,214)</u>	<u>\$ 3,909,505</u>
<b>FUND BALANCE:</b>				
Beginning of year			4,096,258	
End of year			<u>\$ 4,020,044</u>	

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS:

***Community Development Block Grant Fund*** - This fund accounts for revenues received from the U.S. Department of Housing and Urban Development for housing rehabilitation and other community improvement projects.

***Housing Authority Fund*** - This fund is used to account for revenues from the U.S. Department of Housing and Urban Development for housing assistance (Section 8) payments to eligible participants.

***HOME Program Fund*** - This fund accounts for revenues received from the U.S. Department of Housing and Urban Development's Affordable Housing program to assist low income households.

***Housing Successor Fund*** - This fund accounts for the housing assets of the former Community Development Commission.

***Law Enforcement Grants Fund*** - This fund accounts for revenues received from federal, state and local law enforcement grants to be used for public safety.

***Asset Forfeiture Fund*** - This fund accounts for revenues received from asset seizures which can only be used to augment law enforcement expenditures.

***Air Quality Improvement Fund*** - This fund accounts for local revenue received from the South Coast Air Quality Management District to be used for clean air programs.

***Traffic Safety Fund*** - This fund accounts for traffic safety programs funded by moving vehicle violations collected by the County court system and remitted to the City.

***Gas Tax Fund*** - This fund accounts for gas tax and other transportation revenues received from the State for construction and maintenance of streets and roads.

***Street Sweeping Fund*** - This fund accounts for street sweeping fees used to fund the City's street sweeping and storm drain maintenance.

***Prop A Transit Fund*** - To account for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation service and transportation-related programs.

***Prop C Transit Fund*** - This fund accounts for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in street improvement projects along major bus routes.

***UDAG Fund*** - This fund accounts for former Urban Development Assistance Grant funds (UDAG) that the City uses for community development projects.

***Public Access Corporation Fund*** - This fund accounts for revenues previously received from the City's cable television operator through a franchise agreement. This nonprofit corporation was established to promote community access through media.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## **SPECIAL REVENUE FUNDS (Continued):**

***Street Lighting & Landscaping Fund*** - This fund accounts for revenues received through a citywide street lighting assessment for street lighting and traffic signal maintenance.

***Measure R Transit Fund*** - This fund accounts for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation, street and road improvements.

***Road Repair & Accountability Act Fund*** - This fund accounts for revenues received from the 12 cent gasoline tax, 20 cent diesel fuel tax, and \$100 vehicle registration tax collected by the State of California, Department of Transportation and distributed to Cities for the purpose of repairing roads, improving traffic safety, and expanding public transit systems across the state.

***Measure M Transit Fund*** - This fund accounts for revenues received from a 1/2 cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation, street and road improvement projects.

***Park Enhancement Fund*** - This fund accounts for revenues received from the lease of the goal soccer and batting cage facilities, cell tower, and other sources collected by the City for use in park improvement projects.

***CASp Fund*** - This fund accounts for revenues received under the SB 1186 (\$1) and the SB 1379 (\$4) State legislation that assesses a fee when business licenses and equivalent permits are issued or renewed. The CASp program is designed to meet the public's need for experienced, trained, and tested individuals (Certified Access Specialists) who can inspect buildings and sites for compliance with applicable state and federal construction standards.

**City of South Gate**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue				
	Community Development Block Grant	Housing Authority	HOME Program	Housing Successor	Law Enforcement Grants
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 728,423	\$ 130,626	\$ -	\$ 481,225
Receivables:					
Accounts	-	43,159	-	449	-
Loans	1,737,814	14,415	6,753,147	730,972	-
Interest	-	1,256	-	2,475	1,988
Prepaid items	-	-	-	-	-
Due from other governments	420,576	21,882	27,964	-	199,547
Land held for resale	-	-	-	4,950,000	-
<b>Total assets</b>	<b>\$ 2,158,390</b>	<b>\$ 809,135</b>	<b>\$ 6,911,737</b>	<b>\$ 5,683,896</b>	<b>\$ 682,760</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 15,926	\$ 32,435	\$ 2,927	\$ 4,407	\$ 28,834
Accrued payroll and related liabilities	7,395	9,230	1,848	-	5,241
Unearned revenue	134,510	43,417	153,632	-	-
Deposits	-	-	-	78,054	-
Due to other funds	643,250	359,627	-	39,452	-
Advances from other funds	-	-	-	1,813,000	-
<b>Total liabilities</b>	<b>801,081</b>	<b>444,709</b>	<b>158,407</b>	<b>1,934,913</b>	<b>34,075</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	184	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	1,357,309	364,426	6,753,146	3,748,983	648,685
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>1,357,309</b>	<b>364,426</b>	<b>6,753,146</b>	<b>3,748,983</b>	<b>648,685</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,158,390</b>	<b>\$ 809,135</b>	<b>\$ 6,911,737</b>	<b>\$ 5,683,896</b>	<b>\$ 682,760</b>

(Continued)



**City of South Gate**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue				
	Asset Forfeiture	Air Quality Improvement	Traffic Safety	Gas Tax	Street Sweeping
<b>ASSETS</b>					
Cash and investments	\$ 4,650,251	\$ 503,281	\$ -	\$ -	\$ 600,215
Receivables:					
Accounts	-	-	-	337	127,502
Loans	-	-	-	-	-
Interest	17,991	1,726	-	-	2,292
Prepaid items	-	-	-	-	-
Due from other governments	18,678	30,288	7,396	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,686,920</b>	<b>\$ 535,295</b>	<b>\$ 7,396</b>	<b>\$ 337</b>	<b>\$ 730,009</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 126,573	\$ -	\$ -	\$ 22,434	\$ 74,960
Accrued payroll and related liabilities	-	-	-	33,973	464
Unearned revenue	-	-	-	74,293	-
Deposits	-	-	-	-	-
Due to other funds	-	-	1,221,461	1,317,931	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>126,573</b>	<b>-</b>	<b>1,221,461</b>	<b>1,448,631</b>	<b>75,424</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	4,560,347	535,295	-	-	654,585
Unassigned (deficit)	-	-	(1,214,065)	(1,448,294)	-
<b>Total fund balances</b>	<b>4,560,347</b>	<b>535,295</b>	<b>(1,214,065)</b>	<b>(1,448,294)</b>	<b>654,585</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,686,920</b>	<b>\$ 535,295</b>	<b>\$ 7,396</b>	<b>\$ 337</b>	<b>\$ 730,009</b>

(Continued)

**City of South Gate**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue				
	Prop A Transit	Prop C Transit	UDAG	Public Access Corporation	Street Lighting & Landscaping
<b>ASSETS</b>					
Cash and investments	\$ 3,282,734	\$ 4,718,647	\$ 441,800	\$ 37,831	\$ -
Receivables:					
Accounts	-	-	-	-	6,448
Loans	-	-	-	-	-
Interest	12,994	18,054	1,811	183	-
Prepaid items	32,716	-	-	-	-
Due from other governments	152,556	-	-	-	32,763
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,481,000</b>	<b>\$ 4,736,701</b>	<b>\$ 443,611</b>	<b>\$ 38,014</b>	<b>\$ 39,211</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 146,932	\$ -	\$ 3,791	\$ 4,224	\$ 120,904
Accrued payroll and related liabilities	2,508	-	-	-	16,724
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	555,522
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>149,440</b>	<b>-</b>	<b>3,791</b>	<b>4,224</b>	<b>693,150</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	32,716	-	-	-	-
Restricted	3,298,844	4,736,701	439,820	33,790	-
Unassigned (deficit)	-	-	-	-	(653,939)
<b>Total fund balances</b>	<b>3,331,560</b>	<b>4,736,701</b>	<b>439,820</b>	<b>33,790</b>	<b>(653,939)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,481,000</b>	<b>\$ 4,736,701</b>	<b>\$ 443,611</b>	<b>\$ 38,014</b>	<b>\$ 39,211</b>

(Continued)

**City of South Gate**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue				
	Measure R Transit	Road Repair & Accountability Act	Measure M Transit	Park Enhancement	CASp
<b>ASSETS</b>					
Cash and investments	\$ 6,612,212	\$ 2,535,873	\$ 1,576,191	\$ 769,368	\$ 50,037
Receivables:					
Accounts	-	120,685	-	20,953	-
Loans	-	-	-	-	-
Interest	24,771	8,660	4,885	2,215	146
Prepaid items	-	-	-	-	-
Due from other governments	3,789	135,275	-	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,640,772</b>	<b>\$ 2,800,493</b>	<b>\$ 1,581,076</b>	<b>\$ 792,536</b>	<b>\$ 50,183</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 13,983	\$ -	\$ 52,287	\$ -	\$ -
Accrued payroll and related liabilities	4,894	-	761	-	-
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>18,877</b>	<b>-</b>	<b>53,048</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	6,621,895	2,800,493	1,528,028	792,536	50,183
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>6,621,895</b>	<b>2,800,493</b>	<b>1,528,028</b>	<b>792,536</b>	<b>50,183</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,640,772</b>	<b>\$ 2,800,493</b>	<b>\$ 1,581,076</b>	<b>\$ 792,536</b>	<b>\$ 50,183</b>

**City of South Gate**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

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	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 27,118,714
Receivables:	
Accounts	319,533
Loans	9,236,348
Interest	101,447
Prepaid items	32,716
Due from other governments	1,050,714
Land held for resale	4,950,000
<b>Total assets</b>	<u><u>\$ 42,809,472</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 650,617
Accrued payroll and related liabilities	83,038
Unearned revenue	405,852
Deposits	78,054
Due to other funds	4,137,243
Advances from other funds	1,813,000
<b>Total liabilities</b>	<u>7,167,804</u>
<b>Deferred inflows of resources:</b>	
Unavailable revenues	184
<b>Total deferred inflows of resources</b>	<u>184</u>
<b>Fund Balances:</b>	
Nonspendable	32,716
Restricted	38,925,066
Unassigned (deficit)	(3,316,298)
<b>Total fund balances</b>	<u>35,641,484</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 42,809,472</u></u>

*(Concluded)*

**City of South Gate**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue				
	Community Development Block Grant	Housing Authority	HOME Program	Housing Successor	Law Enforcement Grants
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	622,712	5,008,898	199,455	-	392,276
Charges for services	-	-	-	-	-
Use of money and property	12,335	6,974	-	50,606	15,262
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>635,047</u>	<u>5,015,872</u>	<u>199,455</u>	<u>50,606</u>	<u>407,538</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	379,422
Community development	562,414	5,049,412	348,527	108,415	-
Parks & recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	310,000	-	-	-	-
Interest and fiscal charges	12,335	-	-	-	-
<b>Total expenditures</b>	<u>884,749</u>	<u>5,049,412</u>	<u>348,527</u>	<u>108,415</u>	<u>379,422</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(249,702)</u>	<u>(33,540)</u>	<u>(149,072)</u>	<u>(57,809)</u>	<u>28,116</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	87,685	-	-
Transfers out	(99,298)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(99,298)</u>	<u>-</u>	<u>87,685</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCES</b>	(349,000)	(33,540)	(61,387)	(57,809)	28,116
<b>FUND BALANCES:</b>					
Beginning of year	<u>1,706,309</u>	<u>397,966</u>	<u>6,814,533</u>	<u>3,806,792</u>	<u>620,569</u>
End of year	<u>\$ 1,357,309</u>	<u>\$ 364,426</u>	<u>\$ 6,753,146</u>	<u>\$ 3,748,983</u>	<u>\$ 648,685</u>

(Continued)

**City of South Gate**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue				
	Asset Forfeiture	Air Quality Improvement	Traffic Safety	Gas Tax	Street Sweeping
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	949,033	170,773	-	2,076,609	-
Charges for services	-	-	-	-	692,146
Use of money and property	137,832	13,230	-	-	17,829
Fines and forfeitures	-	-	82,860	-	-
Miscellaneous	10,000	-	-	-	-
<b>Total revenues</b>	<b>1,096,865</b>	<b>184,003</b>	<b>82,860</b>	<b>2,076,609</b>	<b>709,975</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	629,326	-	257,510	-	-
Community development	-	6,038	-	-	-
Parks & recreation	-	-	-	-	-
Public works	-	-	-	2,577,642	580,287
Capital outlay	187,373	-	-	41,431	-
Debt service:					
Principal	153,278	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>969,977</b>	<b>6,038</b>	<b>257,510</b>	<b>2,619,073</b>	<b>580,287</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>126,888</b>	<b>177,965</b>	<b>(174,650)</b>	<b>(542,464)</b>	<b>129,688</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(9,221)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(9,221)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN FUND BALANCES</b>	<b>117,667</b>	<b>177,965</b>	<b>(174,650)</b>	<b>(542,464)</b>	<b>129,688</b>
<b>FUND BALANCES:</b>					
Beginning of year	4,442,680	357,330	(1,039,415)	(905,830)	524,897
End of year	<u>\$ 4,560,347</u>	<u>\$ 535,295</u>	<u>\$ (1,214,065)</u>	<u>\$ (1,448,294)</u>	<u>\$ 654,585</u>

(Continued)

**City of South Gate**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue				
	Prop A Transit	Prop C Transit	UDAG	Public Access Corporation	Street Lighting & Landscaping
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,989,636
Licenses and permits	-	-	-	-	-
Intergovernmental	2,056,627	1,579,431	-	-	-
Charges for services	137,243	-	-	-	-
Use of money and property	162,628	138,664	13,900	1,382	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	9,781	-	-	-	-
<b>Total revenues</b>	<u>2,366,279</u>	<u>1,718,095</u>	<u>13,900</u>	<u>1,382</u>	<u>1,989,636</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	21,928	-
Police	-	-	-	-	-
Community development	1,940,928	-	19,900	-	-
Parks & recreation	-	-	27,161	-	-
Public works	-	201,405	-	-	2,522,210
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	94,862
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>1,940,928</u>	<u>201,405</u>	<u>47,061</u>	<u>21,928</u>	<u>2,617,072</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>425,351</u>	<u>1,516,690</u>	<u>(33,161)</u>	<u>(20,546)</u>	<u>(627,436)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(673,524)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(673,524)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCES</b>	425,351	843,166	(33,161)	(20,546)	(627,436)
<b>FUND BALANCES:</b>					
Beginning of year	<u>2,906,209</u>	<u>3,893,535</u>	<u>472,981</u>	<u>54,336</u>	<u>(26,503)</u>
End of year	<u>\$ 3,331,560</u>	<u>\$ 4,736,701</u>	<u>\$ 439,820</u>	<u>\$ 33,790</u>	<u>\$ (653,939)</u>

(Continued)

**City of South Gate**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue				
	Measure R Transit	Road Repair & Accountability Act	Measure M Transit	Park Enhancement	CASp
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	12,829
Intergovernmental	1,182,879	1,784,964	1,330,351	-	-
Charges for services	-	-	-	223,839	-
Use of money and property	191,231	67,894	37,394	17,063	1,138
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>1,374,110</b>	<b>1,852,858</b>	<b>1,367,745</b>	<b>240,902</b>	<b>13,967</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Community development	-	-	-	-	-
Parks & recreation	-	-	-	50,070	-
Public works	433,178	395	226,395	-	-
Capital outlay	-	-	-	17,539	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>433,178</b>	<b>395</b>	<b>226,395</b>	<b>67,609</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>940,932</b>	<b>1,852,463</b>	<b>1,141,350</b>	<b>173,293</b>	<b>13,967</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	174,884	-
Transfers out	(38,261)	(527,107)	(304,976)	(22,215)	-
<b>Total other financing sources (uses)</b>	<b>(38,261)</b>	<b>(527,107)</b>	<b>(304,976)</b>	<b>152,669</b>	<b>-</b>
<b>CHANGES IN FUND BALANCES</b>	<b>902,671</b>	<b>1,325,356</b>	<b>836,374</b>	<b>325,962</b>	<b>13,967</b>
<b>FUND BALANCES:</b>					
Beginning of year	5,719,224	1,475,137	691,654	466,574	36,216
End of year	<u>\$ 6,621,895</u>	<u>\$ 2,800,493</u>	<u>\$ 1,528,028</u>	<u>\$ 792,536</u>	<u>\$ 50,183</u>



**City of South Gate**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

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	Total Nonmajor Governmental Funds
	Funds
<b>REVENUES:</b>	
Taxes	\$ 1,989,636
Licenses and permits	12,829
Intergovernmental	17,354,008
Charges for services	1,053,228
Use of money and property	885,362
Fines and forfeitures	82,860
Miscellaneous	19,781
<b>Total revenues</b>	<b>21,397,704</b>
<b>EXPENDITURES:</b>	
Current:	
General government	21,928
Police	1,266,258
Community development	8,035,634
Parks & recreation	77,231
Public works	6,541,512
Capital outlay	246,343
Debt service:	
Principal	558,140
Interest and fiscal charges	12,335
<b>Total expenditures</b>	<b>16,759,381</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,638,323</b>
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers in	262,569
Transfers out	(1,674,602)
<b>Total other financing sources (uses)</b>	<b>(1,412,033)</b>
<b>CHANGES IN FUND BALANCES</b>	<b>3,226,290</b>
<b>FUND BALANCES:</b>	
Beginning of year	32,415,194
End of year	<b>\$ 35,641,484</b>

*(Concluded)*

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,565,012	\$ 2,439,853	\$ 622,712	\$ (1,817,141)
Use of money and property	322,335	322,335	12,335	(310,000)
<b>Total revenues</b>	<u>1,887,347</u>	<u>2,762,188</u>	<u>635,047</u>	<u>(2,127,141)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,137,652	1,018,013	562,414	455,599
Capital outlay	-	140,000	-	140,000
Debt service:				
Principal	310,000	310,000	310,000	-
Interest and fiscal charges	12,335	12,335	12,335	-
<b>Total expenditures</b>	<u>1,459,987</u>	<u>1,480,348</u>	<u>884,749</u>	<u>595,599</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>427,360</u>	<u>1,281,840</u>	<u>(249,702)</u>	<u>(1,531,542)</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	(427,360)	(654,308)	(99,298)	555,010
<b>Total other financing sources (uses)</b>	<u>(427,360)</u>	<u>(654,308)</u>	<u>(99,298)</u>	<u>555,010</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 627,532</u>	<u>(349,000)</u>	<u>\$ (976,532)</u>
<b>FUND BALANCE:</b>				
Beginning of year			1,706,309	
End of year			<u>\$ 1,357,309</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Housing Authority Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 4,708,500	\$ 4,708,500	\$ 5,008,898	\$ 300,398
Use of money and property	500	500	6,974	6,474
<b>Total revenues</b>	<u>4,709,000</u>	<u>4,709,000</u>	<u>5,015,872</u>	<u>306,872</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	4,706,936	4,706,936	5,049,412	(342,476)
<b>Total expenditures</b>	<u>4,706,936</u>	<u>4,706,936</u>	<u>5,049,412</u>	<u>(342,476)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 2,064</u>	<u>\$ 2,064</u>	(33,540)	<u>\$ (35,604)</u>
<b>FUND BALANCE:</b>				
Beginning of year			397,966	
End of year			<u>\$ 364,426</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**HOME Program Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 425,000	\$ 425,000	\$ 199,455	\$ (225,545)
<b>Total revenues</b>	<u>425,000</u>	<u>425,000</u>	<u>199,455</u>	<u>(225,545)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	760,777	760,777	348,527	412,250
<b>Total expenditures</b>	<u>760,777</u>	<u>760,777</u>	<u>348,527</u>	<u>412,250</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(335,777)</u>	<u>(335,777)</u>	<u>(149,072)</u>	<u>186,705</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	100,000	100,000	87,685	(12,315)
<b>Total other financing sources (uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>87,685</u>	<u>(12,315)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (235,777)</u>	<u>\$ (235,777)</u>	<u>(61,387)</u>	<u>\$ 174,390</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>6,814,533</u>	
End of year			<u>\$ 6,753,146</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Housing Successor Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 23,924	\$ 23,924	\$ 50,606	\$ 26,682
<b>Total revenues</b>	<u>23,924</u>	<u>23,924</u>	<u>50,606</u>	<u>26,682</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	45,000	70,000	108,415	(38,415)
Capital outlay	-	960,000	-	960,000
<b>Total expenditures</b>	<u>45,000</u>	<u>1,030,000</u>	<u>108,415</u>	<u>921,585</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (21,076)</u>	<u>\$ (1,006,076)</u>	(57,809)	<u>\$ 948,267</u>
<b>FUND BALANCE:</b>				
Beginning of year			3,806,792	
End of year			<u>\$ 3,748,983</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Law Enforcement Grants Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 364,721	\$ 476,078	\$ 392,276	\$ (83,802)
Use of money and property	2,100	2,100	15,262	13,162
<b>Total revenues</b>	<u>366,821</u>	<u>478,178</u>	<u>407,538</u>	<u>(70,640)</u>
<b>EXPENDITURES:</b>				
Current:				
Police	415,403	551,760	379,422	172,338
<b>Total expenditures</b>	<u>415,403</u>	<u>551,760</u>	<u>379,422</u>	<u>172,338</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (48,582)</u>	<u>\$ (73,582)</u>	28,116	<u>\$ 101,698</u>
<b>FUND BALANCE:</b>				
Beginning of year			620,569	
End of year			<u>\$ 648,685</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 949,033	\$ (50,967)
Use of money and property	24,000	24,000	137,832	113,832
Miscellaneous	-	10,000	10,000	-
<b>Total revenues</b>	<u>1,024,000</u>	<u>1,034,000</u>	<u>1,096,865</u>	<u>62,865</u>
<b>EXPENDITURES:</b>				
Current:				
Police	811,227	811,227	629,326	181,901
Capital outlay	155,974	248,652	187,373	61,279
Debt service:				
Principal retirement	153,278	153,278	153,278	-
Interest and fiscal charges	19,138	19,138	-	19,138
<b>Total expenditures</b>	<u>1,139,617</u>	<u>1,232,295</u>	<u>969,977</u>	<u>262,318</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(115,617)</u>	<u>(198,295)</u>	<u>126,888</u>	<u>325,183</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(100,000)	(9,221)	90,779
<b>Total other financing (uses)</b>	<u>-</u>	<u>(100,000)</u>	<u>(9,221)</u>	<u>90,779</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (115,617)</u>	<u>\$ (298,295)</u>	<u>117,667</u>	<u>\$ 415,962</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>4,442,680</u>	
End of year			<u>\$ 4,560,347</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Air Quality Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 128,613	\$ 128,613	\$ 170,773	\$ 42,160
Use of money and property	3,000	3,000	13,230	10,230
<b>Total revenues</b>	<u>131,613</u>	<u>131,613</u>	<u>184,003</u>	<u>52,390</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	26,000	26,000	6,038	19,962
Capital outlay	61,518	253,227	-	253,227
<b>Total expenditures</b>	<u>87,518</u>	<u>279,227</u>	<u>6,038</u>	<u>273,189</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 44,095</u>	<u>\$ (147,614)</u>	177,965	<u>\$ 325,579</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>357,330</u>	
End of year			<u>\$ 535,295</u>	



**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Traffic Safety Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 129,379	\$ 129,379	\$ 82,860	\$ (46,519)
<b>Total revenues</b>	<u>129,379</u>	<u>129,379</u>	<u>82,860</u>	<u>(46,519)</u>
<b>EXPENDITURES:</b>				
Current:				
Police	346,292	346,292	257,510	88,782
<b>Total expenditures</b>	<u>346,292</u>	<u>346,292</u>	<u>257,510</u>	<u>88,782</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (216,913)</u>	<u>\$ (216,913)</u>	(174,650)	<u>\$ 42,263</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(1,039,415)</u>	
End of year			<u>\$ (1,214,065)</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,991,975	\$ 1,991,975	\$ 2,076,609	\$ 84,634
Use of money and property	1,050	1,050	-	(1,050)
<b>Total revenues</b>	<u>1,993,025</u>	<u>1,993,025</u>	<u>2,076,609</u>	<u>83,584</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,073,282	3,076,282	2,577,642	498,640
Capital outlay	-	30,224	41,431	(11,207)
<b>Total expenditures</b>	<u>3,073,282</u>	<u>3,106,506</u>	<u>2,619,073</u>	<u>487,433</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,080,257)</u>	<u>(1,113,481)</u>	<u>(542,464)</u>	<u>571,017</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(174,582)	-	174,582
<b>Total other financing (uses)</b>	<u>-</u>	<u>(174,582)</u>	<u>-</u>	<u>174,582</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (1,080,257)</u>	<u>\$ (1,288,063)</u>	<u>(542,464)</u>	<u>\$ 745,599</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(905,830)</u>	
End of year			<u>\$ (1,448,294)</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Sweeping Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 720,700	\$ 720,700	\$ 692,146	\$ (28,554)
Use of money and property	1,575	1,575	17,829	16,254
<b>Total revenues</b>	<u>722,275</u>	<u>722,275</u>	<u>709,975</u>	<u>(12,300)</u>
<b>EXPENDITURES:</b>				
Public works	721,943	760,903	580,287	180,616
<b>Total expenditures</b>	<u>721,943</u>	<u>760,903</u>	<u>580,287</u>	<u>180,616</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 332</u>	<u>\$ (38,628)</u>	129,688	<u>\$ 168,316</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>524,897</u>	
End of year			<u>\$ 654,585</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Prop A Transit Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,213,087	\$ 2,213,087	\$ 2,056,627	\$ (156,460)
Charges for services	193,101	193,101	137,243	(55,858)
Use of money and property	93,000	93,000	162,628	69,628
Miscellaneous	10,500	10,500	9,781	(719)
<b>Total revenues</b>	<u>2,509,688</u>	<u>2,509,688</u>	<u>2,366,279</u>	<u>(143,409)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	2,498,118	2,498,118	1,940,928	557,190
Capital outlay	500,000	500,000	-	500,000
<b>Total expenditures</b>	<u>2,998,118</u>	<u>2,998,118</u>	<u>1,940,928</u>	<u>1,057,190</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (488,430)</u>	<u>\$ (488,430)</u>	425,351	<u>\$ 913,781</u>
<b>FUND BALANCE:</b>				
Beginning of year			2,906,209	
End of year			<u>\$ 3,331,560</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Prop C Transit Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,702,818	\$ 1,702,818	\$ 1,579,431	\$ (123,387)
Use of money and property	27,000	27,000	138,664	111,664
<b>Total revenues</b>	<u>1,729,818</u>	<u>1,729,818</u>	<u>1,718,095</u>	<u>(11,723)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	494,740	604,740	201,405	403,335
<b>Total expenditures</b>	<u>494,740</u>	<u>604,740</u>	<u>201,405</u>	<u>403,335</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,235,078</u>	<u>1,125,078</u>	<u>1,516,690</u>	<u>391,612</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(5,103,619)	(673,524)	4,430,095
<b>Total other financing (uses)</b>	<u>-</u>	<u>(5,103,619)</u>	<u>(673,524)</u>	<u>4,430,095</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 1,235,078</u>	<u>\$ (3,978,541)</u>	843,166	<u>\$ 4,821,707</u>
<b>FUND BALANCE:</b>				
Beginning of year			3,893,535	
End of year			<u>\$ 4,736,701</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**UDAG Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 2,700	\$ 2,700	\$ 13,900	\$ 11,200
<b>Total revenues</b>	<u>2,700</u>	<u>2,700</u>	<u>13,900</u>	<u>11,200</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	64,000	79,049	19,900	59,149
Parks & recreation	-	35,900	27,161	8,739
<b>Total expenditures</b>	<u>64,000</u>	<u>114,949</u>	<u>47,061</u>	<u>67,888</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (61,300)</u>	<u>\$ (112,249)</u>	(33,161)	<u>\$ 79,088</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>472,981</u>	
End of year			<u>\$ 439,820</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Public Access Corporation Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,382	\$ 1,382
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1,382</u>	<u>1,382</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	6,650	21,928	(15,278)
<b>Total expenditures</b>	<u>-</u>	<u>6,650</u>	<u>21,928</u>	<u>(15,278)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (6,650)</u>	(20,546)	<u>\$ (13,896)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>54,336</u>	
End of year			<u>\$ 33,790</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Lighting & Landscaping Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 2,056,828	\$ 2,056,828	\$ 1,989,636	\$ (67,192)
Use of money and property	2,100	2,100	-	(2,100)
<b>Total revenues</b>	<u>2,058,928</u>	<u>2,058,928</u>	<u>1,989,636</u>	<u>(69,292)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,730,098	2,765,880	2,522,210	243,670
Capital outlay	-	185,500	-	185,500
Debt service:				
Principal	95,351	95,351	94,862	489
<b>Total expenditures</b>	<u>2,825,449</u>	<u>3,046,731</u>	<u>2,617,072</u>	<u>429,659</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (766,521)</u>	<u>\$ (987,803)</u>	(627,436)	<u>\$ 360,367</u>
<b>FUND BALANCE:</b>				
Beginning of year			(26,503)	
End of year			<u>\$ (653,939)</u>	



**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure R Transit Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,277,863	\$ 1,277,863	\$ 1,182,879	\$ (94,984)
Use of money and property	22,000	22,000	191,231	169,231
<b>Total revenues</b>	<u>1,299,863</u>	<u>1,299,863</u>	<u>1,374,110</u>	<u>74,247</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	521,023	557,335	433,178	124,157
Capital outlay	15,000	15,000	-	15,000
<b>Total expenditures</b>	<u>536,023</u>	<u>572,335</u>	<u>433,178</u>	<u>139,157</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>763,840</u>	<u>727,528</u>	<u>940,932</u>	<u>213,404</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(2,028,119)	(38,261)	1,989,858
<b>Total other financing (uses)</b>	<u>-</u>	<u>(2,028,119)</u>	<u>(38,261)</u>	<u>1,989,858</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 763,840</u>	<u>\$ (1,300,591)</u>	<u>902,671</u>	<u>\$ 2,203,262</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,719,224</u>	
End of year			<u>\$ 6,621,895</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Road Repair & Accountability Act Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,970,814	\$ 1,970,814	\$ 1,784,964	\$ (185,850)
Use of money and property	7,350	7,350	67,894	60,544
<b>Total revenues</b>	<u>1,978,164</u>	<u>1,978,164</u>	<u>1,852,858</u>	<u>(125,306)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	395	(395)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>395</u>	<u>(395)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,978,164</u>	<u>1,978,164</u>	<u>1,852,463</u>	<u>(125,701)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(2,953,242)	(527,107)	2,426,135
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(2,953,242)</u>	<u>(527,107)</u>	<u>2,426,135</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 1,978,164</u>	<u>\$ (975,078)</u>	1,325,356	<u>\$ 2,300,434</u>
<b>FUND BALANCE:</b>				
Beginning of year			1,475,137	
End of year			<u>\$ 2,800,493</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure M Transit Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,438,669	\$ 1,438,669	\$ 1,330,351	\$ (108,318)
Use of money and property	2,700	2,700	37,394	34,694
<b>Total revenues</b>	<u>1,441,369</u>	<u>1,441,369</u>	<u>1,367,745</u>	<u>(73,624)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	469,995	469,995	226,395	243,600
Capital outlay	15,000	15,000	-	15,000
<b>Total expenditures</b>	<u>484,995</u>	<u>484,995</u>	<u>226,395</u>	<u>258,600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>956,374</u>	<u>956,374</u>	<u>1,141,350</u>	<u>184,976</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	(1,106,014)	(304,976)	801,038
<b>Total other financing (uses)</b>	<u>-</u>	<u>(1,106,014)</u>	<u>(304,976)</u>	<u>801,038</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 956,374</u>	<u>\$ (149,640)</u>	<u>836,374</u>	<u>\$ 986,014</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>691,654</u>	
End of year			<u>\$ 1,528,028</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Park Enhancement Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 246,702	\$ 246,702	\$ 223,839	\$ (22,863)
Use of money and property	1,050	1,050	17,063	16,013
<b>Total revenues</b>	<u>247,752</u>	<u>247,752</u>	<u>240,902</u>	<u>(6,850)</u>
<b>EXPENDITURES:</b>				
Current:				
Parks & recreation	-	-	50,070	(50,070)
Capital outlay	-	17,539	17,539	-
<b>Total expenditures</b>	<u>-</u>	<u>17,539</u>	<u>67,609</u>	<u>(50,070)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>247,752</u>	<u>230,213</u>	<u>173,293</u>	<u>(56,920)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	174,884	174,884
Transfers out	-	(59,846)	(22,215)	37,631
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(59,846)</u>	<u>152,669</u>	<u>212,515</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ 247,752</u>	<u>\$ 170,367</u>	<u>325,962</u>	<u>\$ 155,595</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>466,574</u>	
End of year			<u>\$ 792,536</u>	

**City of South Gate**  
**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CASp Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 12,829	\$ 2,829
Use of money and property	-	-	1,138	1,138
<b>Total revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>13,967</u>	<u>3,967</u>
 <b>CHANGE IN FUND BALANCE</b>	 <u>\$ 10,000</u>	 <u>\$ 10,000</u>	 13,967	 <u>\$ 3,967</u>
 <b>FUND BALANCE:</b>				
Beginning of year			<u>36,216</u>	
End of year			<u>\$ 50,183</u>	

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# INTERNAL SERVICE FUNDS

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**INTERNAL SERVICE FUNDS** have been established to finance and account for goods and services provided by one City department to other City departments or agencies:

***Insurance Fund*** - To administer the City's self-insured workers' compensation, health insurance and general liability programs. The fund collects premiums from departments and employees, records the related liability and makes benefit payments through outside settlement agents.

***Information Systems Fund*** - To account for the operations and maintenance costs of the City's Enterprise Resource Planning (ERP) systems and hardware used by all City departments.

***Fleet Management Fund*** - To account for the regular maintenance and repair of all City-owned vehicles and other pieces of equipment.

***Capital Asset & Equipment Replacement Fund*** - To account for the funding and replacement of the City's fixed assets.

***Building & Infrastructure Maintenance Fund*** - To account for the funding and maintenance of the City's buildings and infrastructure.

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**City of South Gate**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2020**

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 9,082,173	\$ 794,435	\$ 98,896	\$ 4,442,080
Accrued interest	29,256	1,988	-	15,649
Due from other agencies	180	-	-	-
Prepaid items	7,061	-	-	-
Due from other funds	43,729	12,019	2,951	-
<b>Total current assets</b>	<b>9,162,399</b>	<b>808,442</b>	<b>101,847</b>	<b>4,457,729</b>
Noncurrent assets:				
Capital assets:				
Non-depreciable assets	-	-	-	-
Depreciable assets, net of accumulated depreciation	-	407,431	14,689	740,751
<b>Total capital assets, net</b>	<b>-</b>	<b>407,431</b>	<b>14,689</b>	<b>740,751</b>
<b>Total assets</b>	<b>9,162,399</b>	<b>1,215,873</b>	<b>116,536</b>	<b>5,198,480</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	57,188	61,483	119,531	-
Deferred outflows of resources related to OPEB	3,621	9,876	19,753	-
<b>Total deferred outflows of resources</b>	<b>60,809</b>	<b>71,359</b>	<b>139,284</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	40	121,843	130,900	49,383
Accrued liabilities	2,235	9,005	9,848	-
Compensated absences, due within one year	389	3,397	1,797	-
Claims and judgments, due within one year	2,015,049	-	-	-
<b>Total current liabilities</b>	<b>2,017,713</b>	<b>134,245</b>	<b>142,545</b>	<b>49,383</b>
Noncurrent liabilities:				
Compensated absences, due in more than one year	4,220	36,900	19,521	-
Claims and judgments, due in more than one year	6,774,624	-	-	-
Net pension liability	482,408	518,649	1,008,315	-
Net OPEB liability	87,411	238,395	476,789	-
<b>Total noncurrent liabilities</b>	<b>7,348,663</b>	<b>793,944</b>	<b>1,504,625</b>	<b>-</b>
<b>Total liabilities</b>	<b>9,366,376</b>	<b>928,189</b>	<b>1,647,170</b>	<b>49,383</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	19,395	20,852	40,537	-
Deferred inflows of resources related to OPEB	26,660	72,710	145,421	-
<b>Total deferred inflows of resources</b>	<b>46,055</b>	<b>93,562</b>	<b>185,958</b>	<b>-</b>
<b>NET POSITION</b>				
Investment in capital assets	-	407,431	14,689	740,751
Unrestricted (deficit)	(189,223)	(141,950)	(1,591,997)	4,408,346
<b>Total net position</b>	<b>\$ (189,223)</b>	<b>\$ 265,481</b>	<b>\$ (1,577,308)</b>	<b>\$ 5,149,097</b>



**City of South Gate**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**June 30, 2020**

	Building & Infrastructure Maintenance	Total
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 635,917	\$ 15,053,501
Accrued interest	4,563	51,456
Due from other government	-	180
Prepaid items	-	7,061
Due from other funds	-	58,699
Total current assets	<u>640,480</u>	<u>15,170,897</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable assets	308,973	308,973
Depreciable assets, net of accumulated depreciation	31,773	1,194,644
Total capital assets, net	<u>340,746</u>	<u>1,503,617</u>
<b>Total assets</b>	<u>981,226</u>	<u>16,674,514</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pension plan	-	238,202
Deferred outflows of resources related to OPEB	-	33,250
Total deferred outflows of resources	<u>-</u>	<u>271,452</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	302,166
Accrued liabilities	-	21,088
Compensated absences, due within one year	-	5,583
Claims and judgments, due within one year	-	2,015,049
Total current liabilities	<u>-</u>	<u>2,343,886</u>
Noncurrent liabilities:		
Compensated absences, due in more than one year	-	60,641
Claims and judgments, due in more than one year	-	6,774,624
Net pension liability	-	2,009,372
Net OPEB liability	-	802,595
Total noncurrent liabilities	<u>-</u>	<u>9,647,232</u>
<b>Total liabilities</b>	<u>-</u>	<u>11,991,118</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	-	80,784
Deferred inflows of resources related to OPEB	-	244,791
Total deferred inflows of resources	<u>-</u>	<u>325,575</u>
<b>NET POSITION</b>		
Investment in capital assets	340,746	1,503,617
Unrestricted (deficit)	640,480	3,125,656
<b>Total net position</b>	<u>\$ 981,226</u>	<u>\$ 4,629,273</u>

**City of South Gate**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
<b>OPERATING REVENUES:</b>				
Interdepartmental charges	\$ 4,111,904	\$ 1,079,760	\$ 1,693,304	\$ 564,390
Claim recovery	1,622,094	-	-	-
<b>Total operating revenues</b>	<b>5,733,998</b>	<b>1,079,760</b>	<b>1,693,304</b>	<b>564,390</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	333,636	522,214	792,371	-
Utilities	-	51,125	3,116	-
Contractual services	151,379	89,861	106,246	713
Administrative services	69,352	112,503	248,328	-
Repair and maintenance	-	242,191	8,191	6,190
Supplies	11,461	13,118	665,346	-
Insurance	2,954,310	-	-	-
Depreciation expense	-	117,749	11,663	229,154
<b>Total operating expenses</b>	<b>3,520,138</b>	<b>1,148,761</b>	<b>1,835,261</b>	<b>236,057</b>
<b>Operating income (loss)</b>	<b>2,213,860</b>	<b>(69,001)</b>	<b>(141,957)</b>	<b>328,333</b>
<b>NONOPERATING REVENUES:</b>				
Interest income	225,348	15,496	-	142,725
<b>Total nonoperating revenues</b>	<b>225,348</b>	<b>15,496</b>	<b>-</b>	<b>142,725</b>
<b>Changes in net position</b>	<b>2,439,208</b>	<b>(53,505)</b>	<b>(141,957)</b>	<b>471,058</b>
<b>NET POSITION:</b>				
Beginning of year, as restated (Note 19)	(2,628,431)	318,986	(1,435,351)	4,678,039
End of year	\$ (189,223)	\$ 265,481	\$ (1,577,308)	\$ 5,149,097

**City of South Gate**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Building & Infrastructure Maintenance	Total
<b>OPERATING REVENUES:</b>		
Interdepartmental charges	\$ -	\$ 7,449,358
Claim recovery	-	1,622,094
<b>Total operating revenues</b>	<b>-</b>	<b>9,071,452</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	-	1,648,221
Utilities	-	54,241
Contractual services	9,979	358,178
Administrative services	-	430,183
Repair and maintenance	676,765	933,337
Supplies	-	689,925
Insurance	-	2,954,310
Depreciation expense	-	358,566
<b>Total operating expenses</b>	<b>686,744</b>	<b>7,426,961</b>
<b>Operating income (loss)</b>	<b>(686,744)</b>	<b>1,644,491</b>
<b>NONOPERATING REVENUES:</b>		
Interest income	43,167	426,736
<b>Total nonoperating revenues</b>	<b>43,167</b>	<b>426,736</b>
<b>Changes in net position</b>	<b>(643,577)</b>	<b>2,071,227</b>
<b>NET POSITION:</b>		
Beginning of year, as restated (Note 19)	1,624,803	2,558,046
End of year	\$ 981,226	\$ 4,629,273

**City of South Gate**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from interfund service provided	\$ 4,086,501	\$ 1,071,860	\$ 1,691,829	\$ 564,390
Cash paid to suppliers for goods and services	(264,495)	(472,285)	(966,550)	(169,398)
Cash paid to employees for services	(181,346)	(377,693)	(695,979)	-
Cash paid for insurance premium and claims	(3,827,849)	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(187,189)</b>	<b>221,882</b>	<b>29,300</b>	<b>394,992</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	(143,478)	-	(222,898)
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>(143,478)</b>	<b>-</b>	<b>(222,898)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	236,865	16,625	-	149,756
<b>Net cash provided by investing activities</b>	<b>236,865</b>	<b>16,625</b>	<b>-</b>	<b>149,756</b>
<b>Net change in cash and cash equivalents</b>	<b>49,676</b>	<b>95,029</b>	<b>29,300</b>	<b>321,850</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	9,032,497	699,406	69,596	4,120,230
End of year	<u>\$ 9,082,173</u>	<u>\$ 794,435</u>	<u>\$ 98,896</u>	<u>\$ 4,442,080</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>				
Cash and investments	<u>\$ 9,082,173</u>	<u>\$ 794,435</u>	<u>\$ 98,896</u>	<u>\$ 4,442,080</u>

*(Continued)*

**City of South Gate**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	<u>Building &amp; Infrastructure Maintenance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from interfund service provided	\$ -	\$ 7,414,580
Cash paid to suppliers for goods and services	(709,044)	(2,581,772)
Cash paid to employees for services	-	(1,255,018)
Cash paid for insurance premium and claims	-	(3,827,849)
<b>Net cash provided by (used in) operating activities</b>	<u>(709,044)</u>	<u>(250,059)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	<u>(31,773)</u>	<u>(398,149)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u>(31,773)</u>	<u>(398,149)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income	<u>47,109</u>	<u>450,355</u>
<b>Net cash provided by investing activities</b>	<u>47,109</u>	<u>450,355</u>
<b>Net change in cash and cash equivalents</b>	(693,708)	(197,853)
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>1,329,625</u>	<u>15,251,354</u>
End of year	<u>\$ 635,917</u>	<u>\$ 15,053,501</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>		
Cash and investments	<u>\$ 635,917</u>	<u>\$ 15,053,501</u>

*(Continued)*

**City of South Gate**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 2,213,860	\$ (69,001)	\$ (141,957)	\$ 328,333
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	117,749	11,663	229,154
(Increase) decrease in prepaid items	(52)	-	-	-
(Increase) decrease in due from other agencies	(180)	-	-	-
(Increase) decrease in due from other funds	(25,403)	(7,900)	(1,475)	-
(Increase) decrease in deferred outflows of resources related to pensions	13,998	(963)	43,372	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	1,147	3,128	6,255	-
Increase (decrease) in accounts payable	(32,251)	36,513	64,677	(162,495)
Increase (decrease) in accrued liabilities	529	2,898	(365)	-
Increase (decrease) in compensated absences	4,609	40,297	21,318	-
Increase (decrease) in claims and judgments	(2,495,453)	-	-	-
Increase (decrease) in net pension liability	118,881	82,291	(3,227)	-
Increase (decrease) in net OPEB liability	(20,720)	(56,508)	(113,017)	-
Increase (decrease) in deferred inflows of resources related to pensions	12,515	15,202	25,702	-
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	21,331	58,176	116,354	-
Total adjustments	(2,401,049)	290,883	171,257	66,659
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (187,189)</b>	<b>\$ 221,882</b>	<b>\$ 29,300</b>	<b>\$ 394,992</b>

*(Continued)*

**City of South Gate**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Building & Infrastructure Maintenance	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (686,744)	\$ 1,644,491
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	358,566
(Increase) decrease in prepaid items	-	(52)
(Increase) decrease in accounts receivable	-	(180)
(Increase) decrease in due from other funds	-	(34,778)
(Increase) decrease in deferred outflows of resources related to pensions	-	56,407
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	10,530
Increase (decrease) in accounts payable	(22,300)	(115,856)
Increase (decrease) in accrued liabilities	-	3,062
Increase (decrease) in compensated absences	-	66,224
Increase (decrease) in claims and judgments	-	(2,495,453)
Increase (decrease) in net pension liability	-	197,945
Increase (decrease) in net OPEB liability	-	(190,245)
Increase (decrease) in deferred inflows of resources related to pensions	-	53,419
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	-	195,861
Total adjustments	(22,300)	(1,894,550)
<b>Net cash provided by (used in) operating activities</b>	\$ (709,044)	\$ (250,059)

*(Concluded)*

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# AGENCY FUNDS

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**AGENCY FUNDS** accounts for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own. The following is classified as an agency fund in the financial statements:

***Special Deposits Fund*** - This fund is used to account for deposits placed with the City for future services and trust funds awaiting remittance to relevant service providers.



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**City of South Gate**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b><u>Special Deposits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 414,666	\$ 688,838	\$ (134,059)	\$ 969,445
<b>Total assets</b>	<b><u>\$ 414,666</u></b>	<b><u>\$ 688,838</u></b>	<b><u>\$ (134,059)</u></b>	<b><u>\$ 969,445</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,453	\$ 154,853	\$ (50,306)	\$ 108,000
Deposits payable	411,213	688,793	(238,561)	861,445
<b>Total liabilities</b>	<b><u>\$ 414,666</u></b>	<b><u>\$ 843,646</u></b>	<b><u>\$ (288,867)</u></b>	<b><u>\$ 969,445</u></b>

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**STATISTICAL SECTION (UNAUDITED)**

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# City of South Gate

## Statistical Section Overview

### (Unaudited)

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This part of the City of South Gate's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	170 - 183
These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.	
Revenue Capacity	184 - 192
These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.	
Debt Capacity	193 - 198
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	199
This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	200 - 205
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

**City of South Gate**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>					
Net Investment in capital assets	\$ 225,744	\$ 223,175	\$ 223,462	\$ 227,259	\$ 225,811
Restricted	27,636	16,603	19,734	21,358	22,135
Unrestricted	(19,889)	9,355	10,889	13,875	(39,779)
Total governmental activities net position	<u>\$ 233,491</u>	<u>\$ 249,133</u>	<u>\$ 254,085</u>	<u>\$ 262,492</u>	<u>\$ 208,167</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 38,113	\$ 39,090	\$ 44,813	\$ 44,824	\$ 43,963
Restricted	4,497	4,194	13,944	14,492	6,517
Unrestricted	(40,350)	(39,723)	(53,012)	(48,245)	(36,142)
Total business-type activities net position	<u>\$ 2,260</u>	<u>\$ 3,561</u>	<u>\$ 5,745</u>	<u>\$ 11,071</u>	<u>\$ 14,338</u>
<b>Primary government</b>					
Net Investment in capital assets	\$ 263,857	\$ 262,265	\$ 268,275	\$ 272,083	\$ 269,774
Restricted	32,133	20,797	33,678	35,850	28,652
Unrestricted	(60,239)	(30,368)	(42,123)	(34,370)	(75,921)
Total primary government net position	<u>\$ 235,751</u>	<u>\$ 252,694</u>	<u>\$ 259,830</u>	<u>\$ 273,563</u>	<u>\$ 222,505</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u> <u>(As Restated)</u>	<u>2020</u>
<b>Governmental Activities</b>					
Net Investment in capital assets	\$ 228,683	\$ 214,310	\$ 233,267	\$ 237,924	\$ 235,345
Restricted	29,778	32,432	34,187	36,759	38,447
Unrestricted	(40,323)	(22,504)	(72,433)	(55,143)	(56,321)
Total governmental activities net position	<u>\$ 218,138</u>	<u>\$ 224,238</u>	<u>\$ 195,021</u>	<u>\$ 219,540</u>	<u>\$ 217,471</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 352	\$ 17,879	\$ 19,086	\$ 19,379	\$ 18,944
Restricted	2,002	2,169	1,888	1,974	831
Unrestricted	20,588	11,024	16,523	3,665	10,923
Total business-type activities net position	<u>\$ 22,942</u>	<u>\$ 31,072</u>	<u>\$ 37,497</u>	<u>\$ 25,018</u>	<u>\$ 30,698</u>
<b>Primary government</b>					
Net Investment in capital assets	\$ 229,035	\$ 232,189	\$ 252,353	\$ 257,303	\$ 254,289
Restricted	31,780	34,601	36,075	38,733	39,278
Unrestricted	(19,735)	(11,480)	(55,910)	(51,478)	(45,398)
Total primary government net position	<u>\$ 241,080</u>	<u>\$ 255,310</u>	<u>\$ 232,518</u>	<u>\$ 244,558</u>	<u>\$ 248,169</u>

Source: The information is derived from the City's financial statements.



**City of South Gate**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,314	\$ 5,917	\$ 5,591	\$ 4,648	\$ 6,830
Public works	13,291	15,255	15,504	15,988	15,753
Parks and recreation	4,552	4,963	5,174	5,454	6,155
Police	20,849	20,663	20,065	20,251	21,435
Community development	13,569	13,806	10,690	11,651	10,542
Interest expense	5,783	3,556	2,260	2,148	1,712
Total governmental activities expenses	<u>65,358</u>	<u>64,160</u>	<u>59,284</u>	<u>60,140</u>	<u>62,427</u>
Business-type activities:					
Sewer	1,483	1,508	1,496	1,591	1,543
Water	11,038	11,526	13,206	12,411	12,394
Refuse	3,276	3,860	3,499	3,498	3,433
Total business-type activities expenses	<u>15,797</u>	<u>16,894</u>	<u>18,201</u>	<u>17,500</u>	<u>17,370</u>
Total primary government expenses	<u>\$ 81,155</u>	<u>\$ 81,054</u>	<u>\$ 77,485</u>	<u>\$ 77,640</u>	<u>\$ 79,797</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,312	\$ 6,847	\$ 8,663	\$ 7,568	\$ 7,239
Public works	16,794	18,513	21,475	18,882	18,790
Parks and recreation	6,951	7,544	10,115	8,495	8,762
Police	22,507	27,043	31,154	27,451	32,658
Community development	10,939	10,987	12,533	11,033	11,681
Interest expense	1,122	1,310	911	797	533
Total governmental activities expenses	<u>64,625</u>	<u>72,244</u>	<u>84,851</u>	<u>74,226</u>	<u>79,663</u>
Business-type activities:					
Sewer	1,672	1,767	1,740	1,481	1,330
Water	12,956	12,516	14,033	13,733	15,171
Refuse	3,493	3,715	3,810	3,941	4,043
Total business-type activities expenses	<u>18,121</u>	<u>17,998</u>	<u>19,583</u>	<u>19,155</u>	<u>20,544</u>
Total primary government expenses	<u>\$ 82,746</u>	<u>\$ 90,242</u>	<u>\$ 104,434</u>	<u>\$ 93,381</u>	<u>\$ 100,207</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for service:					
General government	\$ 3,159	\$ 3,157	\$ 3,032	\$ 3,102	\$ 3,105
Public works	1,091	1,185	1,163	1,101	1,231
Parks and recreation	526	558	685	894	986
Police	3,045	3,231	2,656	3,445	3,262
Community development	4,863	3,777	3,229	4,171	2,888
Operating grants and contributions	19,363	13,640	14,777	16,363	13,527
Capital grants and contributions	6,144	5,201	3,993	4,696	3,811
Total governmental activities program revenues	<u>38,191</u>	<u>30,749</u>	<u>29,535</u>	<u>33,772</u>	<u>28,810</u>
Business-type activities:					
Charges for service:					
Sewer	1,451	1,497	1,485	1,513	1,388
Water	11,818	12,787	15,061	17,255	18,279
Refuse	3,390	3,359	3,550	3,673	3,714
Operating grants and contributions	43	548	54	64	57
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>16,702</u>	<u>18,191</u>	<u>20,150</u>	<u>22,505</u>	<u>23,438</u>
Total primary government program revenues	<u>\$ 54,893</u>	<u>\$ 48,940</u>	<u>\$ 49,685</u>	<u>\$ 56,277</u>	<u>\$ 52,248</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (27,167)	\$ (33,411)	\$ (29,749)	\$ (26,368)	\$ (33,617)
Business-type activities	<u>905</u>	<u>1,297</u>	<u>1,949</u>	<u>5,005</u>	<u>6,068</u>
Total primary government net expense	<u>\$ (26,262)</u>	<u>\$ (32,114)</u>	<u>\$ (27,800)</u>	<u>\$ (21,363)</u>	<u>\$ (27,549)</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for service:					
General government	\$ 3,037	\$ 2,949	\$ 2,900	\$ 3,104	\$ 2,945
Public works	1,146	1,456	1,283	1,269	1,584
Parks and recreation	966	1,106	1,274	1,394	1,029
Police	3,844	4,189	1,837	2,160	2,052
Community development	2,684	3,619	1,619	1,671	1,739
Operating grants and contributions	14,756	14,090	11,846	16,278	19,485
Capital grants and contributions	7,148	8,221	8,748	8,496	5,370
Total governmental activities program revenues	<u>33,581</u>	<u>35,630</u>	<u>29,507</u>	<u>34,372</u>	<u>34,204</u>
Business-type activities:					
Charges for service:					
Sewer	1,346	1,340	1,350	1,298	1,258
Water	20,524	19,720	20,772	19,899	19,859
Refuse	3,717	3,738	3,856	3,955	4,080
Operating grants and contributions	71	35	37	69	48
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>25,658</u>	<u>24,833</u>	<u>26,015</u>	<u>25,221</u>	<u>25,245</u>
Total primary government program revenues	<u>\$ 59,239</u>	<u>\$ 60,463</u>	<u>\$ 55,522</u>	<u>\$ 59,593</u>	<u>\$ 59,449</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (31,044)	\$ (36,614)	\$ (55,344)	\$ (39,854)	\$ (45,459)
Business-type activities	<u>7,537</u>	<u>6,835</u>	<u>6,432</u>	<u>6,066</u>	<u>4,701</u>
Total primary government net expense	<u>\$ (23,507)</u>	<u>\$ (29,779)</u>	<u>\$ (48,912)</u>	<u>\$ (33,788)</u>	<u>\$ (40,758)</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 21,156	\$ 17,371	\$ 13,346	\$ 12,834	\$ 13,301
Sales taxes	11,054	12,878	13,347	14,186	17,838
Transient occupancy taxes	278	230	250	278	267
Franchise taxes	2,032	1,980	2,031	2,228	2,287
Other taxes	1,786	1,880	1,745	1,862	2,006
Investment income	3,366	2,704	2,638	2,487	1,784
Motor vehicle in-lieu	521	53	44	-	42
Lawsuit settlements	-	-	-	-	-
Gain on sale of land	-	-	-	-	-
Miscellaneous	532	378	2,081	832	1,538
Transfers	354	450	51	95	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-
	-	26,432	-	-	-
Total governmental activities	<u>41,079</u>	<u>64,356</u>	<u>35,533</u>	<u>34,802</u>	<u>39,063</u>
Business-type activities:					
Investment income	255	242	142	118	127
Miscellaneous	253	212	731	298	532
Transfers	(354)	(450)	(51)	(95)	-
Total business-type activities	<u>154</u>	<u>4</u>	<u>822</u>	<u>321</u>	<u>659</u>
Total primary government	<u>\$ 41,233</u>	<u>\$ 64,360</u>	<u>\$ 36,355</u>	<u>\$ 35,123</u>	<u>\$ 39,722</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 13,912	\$ 30,944	\$ 4,951	\$ 8,434	\$ 5,447
Business-type activities	<u>1,060</u>	<u>1,301</u>	<u>2,184</u>	<u>5,326</u>	<u>6,726</u>
Total primary government	<u>\$ 14,972</u>	<u>\$ 32,245</u>	<u>\$ 7,135</u>	<u>\$ 13,760</u>	<u>\$ 12,173</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Revenues and Other Changes in Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 11,712	\$ 12,131	\$ 14,907	\$ 15,358	\$ 14,079
Sales taxes	21,838	20,623	21,121	22,561	21,163
Transient occupancy taxes	350	390	420	450	412
Franchise taxes	2,420	2,454	2,708	2,688	2,744
Other taxes	2,073	2,216	2,051	2,118	1,990
Investment income	2,412	1,539	1,356	2,532	1,575
Motor vehicle in-lieu	39	45	52	47	76
Lawsuit settlements	-	-	-	-	-
Gain on sale of land	-	-	-	-	-
Miscellaneous	1,237	576	5,800	240	1,064
Transfers	(1,066)	(1,294)	6	12	287
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>41,015</u>	<u>38,680</u>	<u>48,421</u>	<u>46,006</u>	<u>43,390</u>
Business-type activities:					
Investment income	-	-	-	-	1,266
Miscellaneous	-	-	-	-	-
Transfers	1,066	1,294	(6)	(12)	(287)
Total business-type activities	<u>1,066</u>	<u>1,294</u>	<u>(6)</u>	<u>(12)</u>	<u>979</u>
Total primary government	<u>\$ 42,081</u>	<u>\$ 39,974</u>	<u>\$ 48,415</u>	<u>\$ 45,994</u>	<u>\$ 44,369</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 9,972	\$ 2,065	\$ (6,922)	\$ 6,153	\$ (2,069)
Business-type activities	<u>8,603</u>	<u>8,130</u>	<u>6,425</u>	<u>6,218</u>	<u>5,680</u>
Total primary government	<u>\$ 18,575</u>	<u>\$ 10,195</u>	<u>\$ (497)</u>	<u>\$ 12,371</u>	<u>\$ 3,611</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund					
Nonspendable	\$ 39,714	\$ 38,089	\$ 36,768	\$ 36,339	\$ 14,330
Restricted	-	-	-	280	391
Committed	-	-	-	1,000	1,000
Assigned	-	-	-	134	3,452
Unassigned	4,716	7,216	11,136	12,691	23,146
Total general fund	<u>\$ 44,430</u>	<u>\$ 45,305</u>	<u>\$ 47,904</u>	<u>\$ 50,444</u>	<u>\$ 42,319</u>
All other governmental funds					
Nonspendable	\$ 7,399	\$ 4,726	\$ 4,479	\$ 4,274	\$ 4,005
Restricted					
Restricted, reported in:					
Special Revenue funds	16,089	13,147	14,557	15,041	16,281
Capital Projects funds	4,228	916	750	655	681
Low and moderate housing activities	-	-	-	1,146	955
Committed					
Capital Project funds	-	-	-	-	-
Unassigned					
Unassigned, reported in:					
Special Revenue funds	(215)	(257)	(323)	(295)	(472)
Capital Projects funds	-	-	-	-	-
Debt Service funds	(11,962)	-	-	-	-
Total all other governmental funds	<u>\$ 15,539</u>	<u>\$ 18,532</u>	<u>\$ 19,463</u>	<u>\$ 20,821</u>	<u>\$ 21,450</u>

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund					
Nonspendable	\$ 11,705	\$ 9,522	\$ 8,069	\$ 7,055	\$ 23,997
Restricted	280	224	230	281	172
Committed	16,000	15,929	19,870	19,870	19,870
Assigned	3,572	3,724	3,503	3,482	3,482
Unassigned	14,570	18,343	11,562	14,545	10,535
Total general fund	<u>\$ 46,127</u>	<u>\$ 47,742</u>	<u>\$ 43,234</u>	<u>\$ 45,233</u>	<u>\$ 58,056</u>
All other governmental funds					
Nonspendable	\$ 1	\$ 400	\$ -	\$ -	\$ 32
Restricted					
Restricted, reported in:					
Special Revenue funds	21,168	21,227	22,831	22,828	28,058
Capital Projects funds	128	2	2	2	2
Low and moderate housing activities	8,799	10,980	11,125	11,019	10,867
Committed					
Capital Project funds	558	558	4,055	4,055	4,018
Unassigned					
Unassigned, reported in:					
Special Revenue funds	(5,401)	(3,672)	(3,437)	(3,139)	(4,346)
Capital Projects funds	-	-	-	39	-
Debt Service funds	(26)	(26)	-	-	-
Total all other governmental funds	<u>\$ 25,227</u>	<u>\$ 29,469</u>	<u>\$ 34,576</u>	<u>\$ 34,804</u>	<u>\$ 38,631</u>

Source: The information is derived from the City's financial statements.



**City of South Gate**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Revenues</u></b>					
Taxes	\$ 36,329	\$ 33,956	\$ 30,855	\$ 31,279	\$ 35,065
Intergovernmental	23,812	21,378	20,733	23,835	18,920
Charges for service	5,357	5,213	5,672	5,708	5,968
Fines and forfeitures	2,660	2,940	2,135	2,915	2,477
Licenses and permits	963	1,030	1,025	1,468	1,322
Investment income	3,344	2,975	2,630	2,474	1,768
Other	577	1,345	2,137	841	1,802
Total revenues	<u>73,042</u>	<u>68,837</u>	<u>65,187</u>	<u>68,520</u>	<u>67,322</u>
<b><u>Expenditures</u></b>					
General government	5,259	5,436	5,154	4,889	5,568
Public works	7,130	7,708	8,250	8,602	7,764
Parks and recreation	4,022	4,355	4,616	4,890	5,593
Police	18,842	19,158	19,456	19,344	20,430
Community development	13,537	13,780	10,333	11,608	10,533
Capital Outlay	12,118	7,325	8,467	10,531	7,066
Debt service:					
Principal	4,648	4,569	2,799	2,686	16,251
Interest and fees	5,717	4,050	2,281	2,141	1,613
Bond issuance costs	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total expenditures	<u>71,273</u>	<u>66,381</u>	<u>61,356</u>	<u>64,691</u>	<u>74,818</u>
Excess of revenues over (under) expenditures	<u>1,769</u>	<u>2,456</u>	<u>3,831</u>	<u>3,829</u>	<u>(7,496)</u>

(Continued)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Revenues</u></b>					
Taxes	\$ 39,966	\$ 39,925	\$ 41,207	\$ 43,175	\$ 42,377
Intergovernmental	20,009	27,090	21,660	25,274	22,577
Charges for service	3,365	3,227	3,451	3,699	2,785
Fines and forfeitures	1,249	1,183	1,125	1,443	1,502
Licenses and permits	1,557	1,482	1,464	1,371	2,001
Investment income	2,226	1,204	1,356	2,531	2,033
Other	3,943	3,635	8,672	3,325	4,256
Total revenues	<u>72,315</u>	<u>77,746</u>	<u>78,935</u>	<u>80,818</u>	<u>77,531</u>
<b><u>Expenditures</u></b>					
General government	6,369	6,545	6,686	6,882	7,007
Public works	8,405	9,276	10,089	10,104	10,753
Parks and recreation	6,027	6,429	7,148	7,510	8,006
Police	22,863	24,131	25,252	26,539	29,449
Community development	10,893	10,766	10,880	11,143	11,537
Capital Outlay	12,912	12,891	9,689	14,696	6,967
Debt service:					
Principal	1,823	1,725	1,749	1,575	1,813
Interest and fees	1,109	1,028	946	862	774
Bond issuance costs	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total expenditures	<u>70,401</u>	<u>72,791</u>	<u>72,439</u>	<u>79,311</u>	<u>76,306</u>
Excess of revenues over (under) expenditures	<u>1,914</u>	<u>4,955</u>	<u>6,496</u>	<u>1,507</u>	<u>1,225</u>

(Continued)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Other financing sources (uses)</u></b>					
Transfers in	\$ 15,871	\$ 5,509	\$ 8,053	\$ 10,067	\$ 6,061
Transfers out	(15,345)	(5,094)	(8,001)	(9,972)	(6,061)
Proceeds from sale of land	-	-	-	-	-
Write-offs	-	-	-	-	-
Pension contribution	-	-	-	-	-
Capital leases	171	-	-	-	-
Debt issued	-	-	-	-	-
Issuance of financing agreements	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Contributions to Successor Agency	-	-	(353)	-	-
Total other financing sources (uses)	<u>697</u>	<u>415</u>	<u>(301)</u>	<u>95</u>	<u>-</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency	<u>-</u>	<u>997</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,466</u>	<u>\$ 3,868</u>	<u>\$ 3,530</u>	<u>\$ 3,924</u>	<u>\$ (7,496)</u>
Debt service as a percentage of noncapital expenditures	17.5%	14.6%	9.6%	8.9%	26.4%

(Continued)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Other financing sources (uses)</u></b>					
Transfers in	\$ 14,968	\$ 11,212	\$ 13,237	\$ 13,533	\$ 6,680
Transfers out	(16,034)	(12,345)	(19,134)	(13,254)	(6,393)
Proceeds from sale of land	-	-	-	-	-
Write-offs	-	-	-	-	-
Pension contribution	-	-	-	-	-
Capital leases	-	-	-	-	-
Debt issued	882	-	-	-	-
Issuance of financing agreements	-	-	-	441	-
Payment to bond escrow agent	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	<u>(184)</u>	<u>(1,133)</u>	<u>(5,897)</u>	<u>720</u>	<u>287</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,771</u>	<u>\$ 5,363</u>	<u>\$ (4,390)</u>	<u>\$ 1,945</u>	<u>\$ 1,512</u>
Debt service as a percentage of noncapital expenditures	5.1%	4.6%	4.3%	3.8%	3.7%

(Concluded)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Type of Tax</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property tax	\$ 21,156	\$ 17,371	\$ 13,346	\$ 12,834	\$ 13,301
Sales and use tax	11,054	12,877	13,347	14,186	17,838
Transient occupancy tax	278	229	250	278	267
Franchise tax	2,032	1,979	2,031	2,228	2,287
Business licenses tax	1,204	1,348	1,213	1,336	1,398
Motor vehicle in-lieu	521	53	43	-	42
Other taxes	<u>582</u>	<u>532</u>	<u>532</u>	<u>525</u>	<u>608</u>
Total	<u>\$ 36,827</u>	<u>\$ 34,389</u>	<u>\$ 30,762</u>	<u>\$ 31,387</u>	<u>\$ 35,741</u>

(Continued)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Governmental Activities Tax Revenues by Source (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Type of Tax</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Property tax	\$ 11,712	\$ 12,131	\$ 14,907	\$ 15,358	\$ 14,079
Sales and use tax	21,838	20,623	21,121	22,561	21,162
Transient occupancy tax	350	390	420	450	412
Franchise tax	2,420	2,454	2,708	2,688	2,744
Business licenses tax	1,466	1,584	1,461	1,560	1,397
Motor vehicle in-lieu	39	45	52	47	76
Other taxes	<u>608</u>	<u>632</u>	<u>590</u>	<u>558</u>	<u>593</u>
Total	<u>\$ 38,433</u>	<u>\$ 37,859</u>	<u>\$ 41,259</u>	<u>\$ 43,222</u>	<u>\$ 40,463</u>

(Concluded)

Source: The information is derived from the City's financial statements.

**City of South Gate**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of Taxable Value)**

<b>Agency</b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>Basic Levy *</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College District	0.02677	0.01782	0.02594	0.02502	0.04809
Compton Community College District	0.01487	0.01481	0.01531	0.00963	0.00987
Downey Unified School District	0.07018	0.06725	0.07132	0.06603	0.06549
LA Community College District	0.04031	0.0353	0.04875	0.04454	0.04017
Los Angeles Unified School District	0.18695	0.16819	0.17561	0.14644	0.14688
Lynwood Unified School District	0.04945	0.05171	0.05059	0.12005	0.08489
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350	0.00350
Paramount Unified School District	0.08384	0.10343	0.10930	0.10457	0.10105
<b>Total Direct &amp; Overlapping ** Tax Rates</b>	<b>1.47607</b>	<b>1.46221</b>	<b>1.50032</b>	<b>1.51978</b>	<b>1.49995</b>
<b>City's Share of 1% Levy per Prop 13***</b>	0.06146	0.06146	0.06146	0.06146	0.06146
<b>General Obligation Debt Rate</b>	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Redevelopment Rate****</b>	1.00370	1.00370			
<b>Total Direct Rate*****</b>	0.25692	0.25454	0.26745	0.06078	0.06081

**Notes:**

\*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.

\*\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

\*\*\*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. The ERAF portion of the City's Levy has been subtracted where known.

\*\*\*\*Redevelopment rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property tax values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

\*\*\*\*\* Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: L. A. County Assessor 2009/10 - 2018/19 Tax Rate Table

**City of South Gate**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**Last Ten Fiscal Years**  
**(Rate per \$100 of Taxable Value)**

<b>Agency</b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Basic Levy *</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College District	0.04809	0.04698	0.04370	0.04446	0.04449
Compton Community College District	0.00926	0.00920	0.00954	0.02335	0.02323
Downey Unified School District	0.11466	0.11473	0.10538	0.10113	0.09708
LA Community College District	0.03576	0.03596	0.04599	0.04621	0.02717
Los Angeles Unified School District	0.12971	0.13110	0.12219	0.12323	0.12552
Lynwood Unified School District	0.09583	0.10308	0.19014	0.11737	0.18874
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Paramount Unified School District	0.05266	0.10677	0.17409	0.16756	0.22092
<b>Total Direct &amp; Overlapping ** Tax Rates</b>	<b>1.48947</b>	<b>1.55131</b>	<b>1.69454</b>	<b>1.62681</b>	<b>1.73065</b>
<b>City's Share of 1% Levy per Prop 13***</b>	0.06146	0.06146	0.06146	0.06146	0.06146
<b>General Obligation Debt Rate</b>	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Redevelopment Rate****</b>					
<b>Total Direct Rate*****</b>	0.06084	0.06086	0.06073	0.06093	0.06093



**City of South Gate**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<u>Type of Property</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Residential	\$ 3,046,904	\$ 3,075,232	\$ 3,133,928	\$ 3,223,318	\$ 3,360,338
Commercial	472,268	478,978	485,723	495,030	502,898
Industrial	563,859	575,910	576,920	586,502	627,907
Farm	617	622	635	647	650
Government	3,065	3,088	3,150	3,213	3,227
Institutional	10,494	18,826	12,443	12,791	18,895
Irrigated	13,635	10,676	10,355	9,031	9,497
Miscellaneous	393	446	404	464	-
Recreational	5,054	4,276	4,362	4,449	4,715
Vacant Land	99,783	86,292	88,072	81,439	90,777
SBE Nonunitary	339	419	419	419	419
Unsecured	308,659	296,719	304,312	305,457	323,351
Cross Reference	6,807	7,972	10,843	14,705	10,852
<b>Total taxable Assessed Value</b>	<b>\$ 4,531,877</b>	<b>\$ 4,559,456</b>	<b>\$ 4,631,565</b>	<b>\$ 4,737,463</b>	<b>\$ 4,953,525</b>
Total direct tax rate	0.25692%	0.25454%	0.26745%	0.60780%	0.60810%
Tax-Exempt	(61,610)	(59,538)	(54,662)	(48,602)	(47,025)

Source: Los Angeles County Assessor

**City of South Gate**  
**Assessed Value of Taxable Property (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<u>Type of Property</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
Residential	\$ 3,526,730	\$ 3,682,817	\$ 3,836,767	\$ 4,041,859	\$ 4,244,936
Commercial	526,371	553,697	597,645	636,252	681,218
Industrial	653,662	668,701	662,336	683,926	744,779
Farm	663	673	-	-	-
Government	3,292	3,595	479	489	3,070
Institutional	12,343	15,256	18,358	16,386	23,895
Irrigated	10,674	11,572	9,998	9,557	9,808
Miscellaneous	-	-	398	406	414
Recreational	4,372	6,675	7,165	8,287	5,553
Vacant Land	110,995	99,828	99,578	97,262	89,581
SBE Nonunitary	419	530	861	661	661
Unsecured	339,707	350,070	375,664	389,984	414,742
Cross Reference	11,327	11,674	13,478	13,658	13,303
<b>Total taxable A.V.</b>	<b>\$ 5,200,554</b>	<b>\$ 5,405,089</b>	<b>\$ 5,622,727</b>	<b>\$ 5,898,727</b>	<b>\$ 6,231,960</b>
Total direct tax rate	0.60840%	0.60860%	0.60730%	0.60930%	6.09500%
Tax-Exempt	(47,025)	(46,977)	(46,977)	(44,588)	(44,456)

Source: Los Angeles County Assessor

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**City of South Gate**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2019/20</u>			<u>2010/11</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total City Taxable Assessed Value</u>
Schultz Steel Company	\$ 124,842	1	2.00%	\$ 88,408	1	1.95%
El Paseo Southern Gate LLC	60,301	2	0.97%	52,111	2	1.15%
Tesoro Logistics Operations LLC	39,518	3	0.63%	-		
BP West Coast Products LLC	-		-	50,165	3	1.11%
South Gate Gateway LLC	-		-	37,431	4	0.83%
South Gate Business & Industrial Park	34,973	4	0.56%	29,606	5	0.65%
Azalea Joint Venture LLC	34,648	5	0.56%	-		
Konoike Pacific California Inc	32,929	6	0.53%	-		
South Gate Pacific Associates	30,734	7	0.49%	-		
Rockview Dairies Inc.	-			25,806	6	0.57%
World Oil Company	-			25,102	7	0.55%
Armstrong Cork Company	28,803	8	0.46%	24,257	9	0.54%
Hudd Distribution Services Inc.	28,188	9	0.45%	24,263	8	0.54%
City of South Gate	27,955	10	0.45%	-		
Saputo Cheese USA Inc				21,416	10	0.47%
	<u>\$ 442,891</u>		<u>7.10%</u>	<u>\$ 378,566</u>		<u>8.36%</u>
City Total Assessed Valuation	6,231,960			4,531,894		

Source: Los Angeles County Assessor and HdL Companies

**City of South Gate**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year (2)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date (1)</b>	
		<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
2020	\$ 2,785	\$ 2,920	104.85%	N/A	N/A	N/A
2019	2,689	2,846	105.84%	N/A	N/A	N/A
2018	2,585	2,720	105.22%	N/A	N/A	N/A
2017	2,504	2,636	105.27%	N/A	N/A	N/A
2016	2,431	2,532	104.15%	N/A	N/A	N/A
2015	2,329	2,443	104.89%	N/A	N/A	N/A
2014	2,297	2,511	109.32%	N/A	N/A	N/A
2013	2,242	2,540	113.29%	N/A	N/A	N/A
2012	2,228	2,290	102.78%	N/A	N/A	N/A
2011	2,207	2,290	103.76%	N/A	N/A	N/A

Source: Los Angeles County Assessor and City of South Gate Finance Department

(1) Information is not available since the County of Los Angeles pools prior years taxes for remittance to the City.

(2) Tax Levy includes VLF in Lieu fees

**City of South Gate**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except for per capita amounts)

Fiscal Year Ended June 30	General Bonded Debt		Percentage of Actual Taxable Value of Property (1)	Per Capita (2)	Other Governmental Activities Debt			
	Revenue Bonds	Pension Obligation Bonds			Certificates of Participation	Assessment Bonds	Capital Leases	Notes/Loans
2020	\$ -	\$ 12,800	0.21%	131.95	\$ -	\$ -	\$ 739	\$ -
2019	-	14,055	0.24%	145.23	-	-	987	310
2018	-	15,245	0.27%	155.35	-	-	641	600
2017	-	16,375	0.30%	166.02	-	-	730	1,130
2016	-	17,445	0.34%	175.19	-	-	825	1,690
2015	-	18,460	0.37%	192.09	-	-	221	2,220
2014	-	19,425	0.41%	202.22	14,395	30	582	2,720
2013	-	20,345	0.44%	213.90	15,315	60	927	3,190
2012	-	21,220	0.47%	224.98	16,185	85	1,516	3,630
2011	25,115	22,055	1.04%	462.84	17,010	110	2,085	4,045

Fiscal Year Ended June 30	Business Type Activities		Percentage of Personal Income (2)	Per Capita (2)
	Water Revenue Bonds	Total Primary Government (3)		
2020	\$ 32,398	\$ 45,937	2.81%	\$ 473.56
2019	36,750	52,102	3.43%	538.37
2018	38,299	54,785	3.76%	558.27
2017	39,777	58,012	4.19%	588.16
2016	41,187	61,147	4.49%	614.06
2015	42,540	63,441	4.68%	660.15
2014	43,839	80,991	5.96%	843.15
2013	44,941	84,778	6.38%	891.32
2012	34,749	77,385	5.87%	820.45
2011	35,713	106,133	7.98%	1,041.40

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Assessed Value of Property schedule for taxable property value data.

(2) See Demographic & Economic Statistics schedule for population and personal income data. These ratios are calculated using personal income and population for the prior calendar year.

(3) Includes general bonded debt, other governmental activities debt, and business-type activities debt.

**City of South Gate**  
**Direct & Overlapping Debt**  
**June 30, 2020**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
<b>Direct Debt</b>			
264.01 2005 PENSION OBLIGATION BONDS	14,055,000	100.000	12,800,000
264.01 CAPITAL LEASE OBLIGATIONS	987,093	100.000	737,050
<b>Total Direct Debt</b>			<b>13,537,050</b>
<b>Overlapping Debt</b>			
*315.05 METROPOLITAN WATER DISTRICT	18,151,752	0.358	65,052
790.54 CERRITOS CCD DS 2004 SERIES 2012D	32,727,548	1.167	382,036
790.55 CERRITOS CCD DS 2012 SERIES 2014A	73,900,000	1.167	862,652
790.56 CERRITOS CCD DS 2014 REF BONDS SERIES A	76,720,000	1.167	895,571
790.57 CERRITOS CCD DS 2014 REF BONDS SERIES B	9,830,000	1.167	114,748
790.58 CERRITOS CCD DS 2012 SERIES 2018B	61,135,000	1.167	713,643
790.59 CERRITOS CCD DS 2012 SERIES 2019C	152,655,000	1.167	1,781,978
793.52 COMPTON CCD DS 2002 SERIES 2012C	6,880,568	2.301	158,318
793.53 COMPTON CCD DS 2012 REF BONDS	8,010,000	2.301	184,306
793.54 COMPTON CCD DS 2002 SERIES 2013D	253,405	2.301	5,831
793.55 COMPTON CCD DS 2014 REF	16,245,000	2.301	373,789
793.56 COMPTON CCD DS 2015 REF BONDS	12,330,000	2.301	283,707
793.57 COMPTON CCD DS 2014 SERIES A	33,500,000	2.301	770,817
793.58 COMPTON CCD DS 2002 SERIES 2018E	53,645,677	2.301	1,234,359
805.55 LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.565	11,960
805.56 LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.565	178,435
805.65 LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.565	424,105
805.66 LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.565	706,842
805.67 LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.565	5,089,262
805.69 LA CCD DS 2008 SERIES F	199,000,000	0.565	1,125,292
805.70 LA CCD DS 2013 REF BONDS	35,410,000	0.565	200,234
805.71 LA CCD DS 2008 SERIES G	205,725,000	0.565	1,163,320
805.73 LA CCD DS 2015 REF SERIES A	1,395,190,000	0.565	7,889,430
805.74 LA CCD DS 2015 REF SERIES B	24,305,000	0.565	137,438
805.75 LA CCD DS 2015 REF SERIES C	230,015,000	0.565	1,300,674
805.76 LA CCD DS 2008 SERIES I	197,360,000	0.565	1,116,019
805.78 LA CCD DS 2016 REF BONDS	813,785,000	0.565	4,601,739
853.53 DOWNEY USD DS REFUNDING 1999 SERIES A	2,905,256	4.363	126,757
853.60 DOWNEY USD DS 2007 REF BDS	13,210,000	4.363	576,357
853.61 DOWNEY USD DS 2011 REFUNDING BONDS	4,755,000	4.363	207,462
853.62 DOWNEY USD DS 2012 REF BONDS	10,810,000	4.363	471,644
853.63 DOWNEY USD DS 2014 SERIES A	37,885,000	4.363	1,652,937
853.65 DOWNEY USD DS 2016 REF BONDS	5,615,000	4.363	244,985
853.66 DOWNEY USD DS 2014 SERIES B	129,797,984	4.363	5,663,135
887.86 LOS ANGELES UNIF DS 2002 SERIES E	200,000,000	0.693	1,385,986
887.89 LOS ANGELES UNIF DS 2005 SERIES H-QSCBS	80,625,000	0.693	558,726
887.92 LOS ANGELES UNIF MEASURE R SERIES KRY	363,005,000	0.693	2,515,600
887.93 LOS ANGELES UNIF MEASURE Y 2009 SERIES	806,795,000	0.693	5,591,034
887.95 LOS ANGELES UNIF MEASURE K 2010 SERIES	145,250,000	0.693	1,006,572
887.96 LOS ANGELES UNIF MEASURE R 2010 SERIES	143,360,000	0.693	993,475
887.97 LOS ANGELES UNIF MEASURE Y 2010 SERIES	95,770,000	0.693	663,680
887.98 LOS ANGELES UNIF MEASURE R 2010 SERIES RY	477,630,000	0.693	3,309,943
887.99 LOS ANGELES UNIF MEASURE Y 2010 SERIES RY	772,955,000	0.693	5,356,525

**City of South Gate**  
**Direct & Overlapping Debt (Continued)**  
**June 30, 2020**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
<b>Overlapping Debt (Continued)</b>			
888.56 LOS ANGELES UNIF DS 2005 2010 SERIES J-2	153,350,000	0.693	1,062,705
888.57 LOS ANGELES UNIF DS 2011 REFUNDING BOND	104,795,000	0.693	726,222
888.58 LOS ANGELES UNIF DS 2011 REFUNDING BOND	141,880,000	0.693	983,219
888.59 LOS ANGELES UNIF DS 2012 REFUNDING BOND	95,760,000	0.693	663,610
888.60 LOS ANGELES UNIF DS 2014 REF BOND SERIES A	58,580,000	0.693	405,955
888.61 LOS ANGELES UNIF DS 2014 REF BOND SERIES B	150,940,000	0.693	1,046,004
888.62 LOS ANGELES UNIF DS 2014 REF BOND SERIES C	821,985,000	0.693	5,696,299
888.63 LOS ANGELES UNIF DS 2014 REF BOND SERIES D	130,045,000	0.693	901,203
888.68 LOS ANGELES UNIF DS 2015 REF BONDS SERIES	269,400,000	0.693	1,866,923
888.69 LOS ANGELES UNIF DS 2008 SERIES A 2016	600,270,000	0.693	4,159,830
888.70 LOS ANGELES UNIF DS 2016 REF BONDS SERIES	403,410,000	0.693	2,795,604
888.71 LOS ANGELES UNIF DS 2016 REF BONDS SERIES	498,240,000	0.693	3,452,769
888.72 LOS ANGELES UNIF DS 2017 REF BONDS SER A	113,455,000	0.693	786,235
888.73 LOS ANGELES UNIF DS 2017 REF BONDS SER A	921,240,000	0.693	6,384,130
888.74 LOS ANGELES UNIF DS 2005 SERIES M 1 2018	114,165,000	0.693	791,156
888.76 LOS ANGELES UNIF DS 2008 SERIES B 1 2018	1,060,780,000	0.693	7,351,132
888.78 LOS ANGELES UNIF DS 2019 REF 2002 SER D	150,055,000	0.693	1,039,871
888.79 LOS ANGELES UNIF DS 2019 REF 2004 SER I	333,005,000	0.693	2,307,702
888.80 LOS ANGELES UNIF DS 2019 REF 2005 SER F	90,085,000	0.693	624,283
888.81 LOS ANGELES UNIF DS 2019 REF SER KRY 2009	952,160,000	0.693	6,598,403
891.51 LYNWOOD USD DS 2012 REF BONDS	563,904	0.897	5,056
891.52 LYNWOOD USD DS 2012 SERIES A	11,390,000	0.897	102,124
891.53 LYNWOOD USD DS 2012 SERIES B	1,610,000	0.897	14,435
891.54 LYNWOOD USD DS 2012 SERIES C	10,165,000	0.897	91,141
891.55 LYNWOOD USD DS 2016 SERIES A	9,325,000	0.897	83,609
891.57 LYNWOOD USD DS 2012 SERIES D	22,213,701	0.897	199,171
891.58 LYNWOOD USD DS 2016 SERIES B	38,325,000	0.897	343,628
907.53 PARAMOUNT USD DS 2006, SERIES 2011 BONDS	33,419,392	7.574	2,531,160
907.54 PARAMOUNT USD DS 2006 2013 SERIES C	32,052,518	7.574	2,427,634
907.55 PARAMOUNT USD DS REF BOND SERIES 2015	27,560,000	7.574	2,087,374
907.56 PARAMOUNT USD DS REF BOND SERIES 2015	7,714,976	7.574	584,328
907.57 PARAMOUNT USD DS 2016 SERIES 2017A	20,430,000	7.574	1,547,353
907.58 PARAMOUNT USD DS 2016 SERIES 2018B	29,646,089	7.574	2,245,373
<b>Total Overlapping Debt</b>			<b>124,002,017</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 137,539,067</b>

2019/20 Assessed Valuation: \$4,617,043,852 After Deducting \$1,614,916,147 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.30%
Overlapping Debt	2.73%
Total Debt	3.03%

\*This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

**Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2018/19 Lien Date Tax Rolls**

*This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone*



**City of South Gate**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 686,435	\$ 697,223	\$ 708,842	\$ 728,496	\$ 759,572
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	686,435	697,223	708,842	728,496	759,572
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for  
Fiscal Year 2018-2019:**

Assessed value	\$ 6,231,960
Add back: exempt real property	<u>50,347</u>
Total assessed value	<u><u>\$ 6,282,307</u></u>
Debt limit (15% of total assessed value)	\$ 942,346
Debt applicable to limit:	<u>-</u>
Legal debt margin	<u><u>\$ 942,346</u></u>

Source: L.A. County Assessor 2018/19 Combined Tax Rolls

Note: Under state finance law, the City of South Gate's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of South Gate**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 799,634	\$ 824,157	\$ 863,575	\$ 895,128	\$ 942,346
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	799,634	824,157	863,575	895,128	942,346
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Source: L.A. County Assessor 2018/19 Combined Tax Rolls

Note: Under state finance law, the City of South Gate's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of South Gate  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

2001 Utility Revenue Bonds

Fiscal Year	Utility Charges and Other (1)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$20,062,750	\$12,023,515	\$ 8,039,235	\$ 1,635,000	\$ 1,497,450	\$ 3,132,450	256.64%
2019	20,102,247	11,047,753	9,054,494	1,625,000	1,512,050	3,137,050	288.63%
2018	20,975,927	10,961,972	10,013,955	1,615,000	1,521,250	3,136,250	319.30%
2017	19,924,023	9,359,674	10,564,349	1,605,000	1,525,650	3,130,650	337.45%
2016	20,727,981	9,665,349	11,062,632	1,600,000	1,534,350	3,134,350	352.95%
2015	19,011,746	8,619,311	10,392,435	1,595,000	1,541,800	3,136,800	331.31%
2014	17,756,659	8,967,497	8,789,162	1,445,000	1,543,675	2,988,675	294.08%
2013	17,952,236	9,460,882	8,491,354	1,450,000	1,208,125	2,658,125	319.45%
2012	13,394,320	8,278,829	5,115,491	1,375,000	1,366,533	2,741,533	186.59%
2011	12,472,953	7,719,720	4,753,233	1,305,000	1,441,389	2,746,389	173.07%

2012 Water Revenue Bonds

Fiscal Year	Utility Charges and Other	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$19,859,155	\$12,023,515	\$ 7,835,640	\$ 1,635,000	\$ 1,497,450	\$ 3,132,450	250.14%
2019	19,898,652	11,047,753	8,850,899	1,625,000	1,512,050	3,137,050	282.14%
2018	20,772,332	10,961,972	9,810,360	1,615,000	1,521,250	3,136,250	312.81%
2017	19,720,428	9,359,674	10,360,754	1,605,000	1,525,650	3,130,650	330.95%
2016	20,524,386	9,665,349	10,859,037	1,600,000	1,534,350	3,134,350	346.45%
2015	18,808,151	8,619,311	10,188,840	1,595,000	1,541,800	3,136,800	324.82%
2014	17,553,064	8,967,497	8,585,567	1,445,000	1,543,675	2,988,675	287.27%
2013	17,553,064	9,460,882	8,092,182	1,450,000	1,208,125	2,658,125	304.43%

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest or depreciation.

1) Amount Includes transfer in from Sewer Fund for its share of the debt service payment.

**City of South Gate**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2019	97,003	\$ 1,633,262	\$ 16,837	28,672	4.7%
2018	96,777	1,517,002	15,675	28,672	4.9%
2017	98,133	1,455,568	14,832	29,076	6.3%
2016	98,633	1,384,879	14,040	28,859	6.9%
2015	99,578	1,361,700	13,674	28,920	8.8%
2014	96,101	1,354,544	14,095	28,956	10.7%
2013	96,057	1,358,150	14,139	29,699	9.8%
2012	95,115	1,327,805	13,960	29,830	11.9%
2011	94,320	1,317,273	13,966	30,174	15.6%
2010	101,914	1,329,570	13,046	30,678	16.0%

Sources:

- (1) State of California - Department of Finance
- (2) Bureau of Economic Analysis - reflects latest data available for Los Angeles Metro region
- (3) Factfinder.census.gov. 2009 - 2018.
- (4) California Employment Development Department/U.S. Dept. of Labor - Bureau of Labor Statistics

**City of South Gate**  
**Full-Time Equivalent City Employees by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Manager	6.10	5.00	5.00	5.00	5.00
City Attorney	1.00	1.00	1.00	1.00	1.00
City Treasurer (1)	-	-	-	-	-
City Clerk	3.00	3.00	3.00	4.00	4.00
Personnel	2.90	4.00	4.00	4.00	4.00
Finance	21.00	18.00	20.00	20.00	20.00
Police					
Officers	80.00	80.00	82.00	82.00	82.00
Civilians	37.00	37.00	37.00	39.00	39.00
Public Works					
Administration/Engineering	7.00	8.00	8.00	8.00	8.00
Maintenance	36.15	35.00	37.00	37.00	36.00
Water/Sewer	28.85	19.00	26.00	27.00	27.00
Parks & Recreation	33.00	30.00	35.00	38.00	38.00
Community Development	28.00	22.00	26.00	25.00	25.00
Sub-Total	<b><u>284.00</u></b>	<b><u>262.00</u></b>	<b><u>284.00</u></b>	<b><u>290.00</u></b>	<b><u>289.00</u></b>
Part-Time Hours	100,378	125,070	109,385	114,095	129,005
Full-Time Equivalents	48.25	60.13	52.59	54.85	62.02
<b>TOTAL POSITIONS</b>	<b><u>332.25</u></b>	<b><u>322.13</u></b>	<b><u>336.59</u></b>	<b><u>344.85</u></b>	<b><u>351.02</u></b>

(Continued)

Source: City of South Gate Finance Department

**City of South Gate**  
**Full-Time Equivalent City Employees by Function (Continued)**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Manager	7.00	7.00	7.00	7.00	7.00
City Attorney	1.00	1.00	1.00	1.00	1.00
City Treasurer (1)	-	-	-	-	-
City Clerk	4.00	4.00	4.00	4.00	4.00
Personnel	5.00	5.00	5.00	5.00	5.00
Finance	20.00	24.00	23.00	23.00	23.00
Police					
Officers	82.00	82.00	85.00	85.00	85.00
Civilians	41.00	41.00	43.00	43.00	43.00
Public Works					
Administration/Engineering	8.00	8.00	10.00	10.00	10.00
Maintenance	37.00	37.00	40.00	40.00	40.00
Water/Sewer	26.00	29.00	29.00	29.00	29.00
Parks & Recreation	42.00	43.00	45.00	45.00	46.00
Community Development	24.00	25.00	24.00	24.00	23.00
Sub-Total	<b>297.00</b>	<b>306.00</b>	<b>316.00</b>	<b>316.00</b>	<b>316.00</b>
Part-Time Hours	121,757	109,880	126,794	124,718	124,718
Full-Time Equivalents	58.54	52.83	60.96	59.96	59.96
<b>TOTAL POSITIONS</b>	<b>355.54</b>	<b>358.83</b>	<b>376.96</b>	<b>375.96</b>	<b>375.96</b>

(Concluded)

Source: City of South Gate Finance Department

**City of South Gate  
Operating Indicators by Function  
Last Ten Fiscal Years**

<b><u>Function</u></b>		<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Police	Calls for service	36,329	36,250	37,129	35,528	37,658
	Arrests	2,468	2,226	2,288	2,559	2,612
	Parking citations issued	22,512	20,491	13,809	24,146	23,300
	Moving citations/traffic violations	18,344	14,111	4,289	3,676	3,139
	Share of seized asset (in thousands)	758	1,360	744	1,586	1,264
Water	Customer accounts	15,578	14,350	15,445	15,445	15,361
	Average daily consumption (millions of gallons)	8.0	7.4	7.5	7.5	6.7
	Water samples taken	2,306	2,111	2,240	2,240	1,940
	New connections	8	5	9	9	13
Street Maintenance						
	Potholes repaired	211	135	206	1,215	1,250
	Sq.ft of graffiti removal (in thousands)	700	700	700	1,000	980
	Miles of streets swept	30,180	33,543	32,760	32,760	33,040
Culture and Recreation						
	Golf course participants	7,750	7,780	6,934	6,238	5,579
	Swimming participants	73,113	85,685	95,265	88,280	88,688
	Facility rentals	1,265	1,360	1,078	1,115	1,160
	Recreation classes provided	1,060	207	311	568	498
Community Development						
	Permits issued	4,796	4,599	4,459	3,377	2,931
	Code enforcement inspections	6,879	6,506	5,554	6,893	5,019
	Housing vouchers issued	51	54	36	35	41

Source: Various City Departments

**City of South Gate**  
**Operating Indicators by Function (Continued)**  
**Last Ten Fiscal Years**

<b><u>Function</u></b>		<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Police	Calls for service	44,565	44,829	44,565	40,541	39,800
	Arrests	3,203	3,055	3,023	2,997	1,138
	Parking citations issued	22,927	23,425	22,927	36,668	2,567
	Moving citations/traffic violations	4,604	4,258	4,604	3,068	3,228
	Share of seized asset (in thousands)	1,616	2,149	475	1,143	917
Water	Customer accounts	15,454	15,520	15,689	15,737	15,691
	Average daily consumption (millions of gallons)	6.8	6.4	7.4	7.4	7.5
	Water samples taken	2,173	2,169	2,225	2,500	2,037
	New connections	19	15	26	23	16
Street Maintenance						
	Potholes repaired	1,250	2,500	140	140	193
	Sq.ft of graffiti removal (in thousands)	711	904	942	1,000	800
	Miles of streets swept	32,760	36,400	36,400	36,400	36,400
Culture and Recreation						
	Golf course participants	8,475	6,550	5,276	3,484	440
	Swimming participants	83,553	86,924	88,070	86,293	55,000
	Facility rentals	1,413	1,534	1,900	2,839	1,816
	Recreation classes provided	417	328	328	436	54
Community Development						
	Permits issued	3,247	2,980	2,842	2,839	2,333
	Code enforcement inspections	4,870	5,831	6,587	9,698	8,845
	Housing vouchers issued	47	61	72	80	62

Source: Various City Departments



**City of South Gate  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

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<b><u>Function</u></b>		<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Police	Stations	1	1	1	1	1
	Patrol Units	37	37	37	37	37
Water	Miles of lines and mains	135	135	135	135	135
	Number of wells	12	12	11	11	11
	Number of tanks	2	2	2	2	2
	Number of reservoirs	5	5	5	5	5
Sewer	Miles of sewers	125.8	125.8	125.8	125.8	125.8
	Miles of storm drains	25.2	25.2	25.2	25.2	25.2
Streets	Miles of streets	125.8	125.8	125.8	125.8	125.8
	Traffic signals	77	77	86	83	83
	Streetlights	3,936	3,936	4,400	4,400	4,400
Culture and Recreation	Parks	8	8	8	8	8
	Park acreage	182	182	182	182	182
	Playgrounds	8	8	8	8	12
	Ballfields	16	16	16	16	17
	Swimming pools	1	1	1	1	1
	Community Centers	7	7	7	7	7

Source: Various City Departments

**City of South Gate**  
**Capital Asset Statistics by Function (Continued)**  
**Last Ten Fiscal Years**

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<u>Function</u>		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police	Stations	1	1	1	1	1
	Patrol Units	37	38	38	36	36
Water	Miles of lines and mains	135	135	135	135	135
	Number of wells	11	12	12	12	12
	Number of tanks	2	2	2	2	2
	Number of reservoirs	5	6	6	6	6
Sewer	Miles of sewers	125.8	125.8	125.8	125.8	125.8
	Miles of storm drains	25.2	25.2	25.2	25.2	25.2
Streets	Miles of streets	125.8	125.8	125.8	125.8	125.8
	Traffic signals	83	86	86	86	86
	Streetlights	4,400	4,400	4,400	4,400	4,400
Culture and Recreation	Parks	8	8	8	8	8
	Park acreage	182	182	182	185	185
	Playgrounds	12	14	14	14	14
	Ballfields	17	17	17	16	16
	Swimming pools	1	1	1	1	1
	Community Centers	7	7	7	7	7

Source: Various City Departments

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CITY MANAGER'S OFFICE

JUL 21 2021  
8:00 AM

City of South Gate  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: July 27, 2021  
Originating Department: Parks & Recreation

Interim Director: Steve Costley <sup>(Ae)</sup> City Manager: Chris Jeffers  
Steve Costley Chris Jeffers

**SUBJECT: PROPOSED MUSIC FESTIVAL WITH LIMITED ALCOHOL SERVICE**

**PURPOSE:** To receive direction from the City Council regarding a request for a Music Festival Event at South Gate Park in August/September 2022 which would include limited alcohol service.

**RECOMMENDED ACTIONS:**

- a. Approve the request by Jack Leavitt for a Music Festival Event ("Event") with limited alcohol service at South Gate Park in August/September of 2022;
- b. Direct staff, with the assistance of the City Attorney, to negotiate an agreement with the music festival producer and present the agreement to the City Council for formal approval at a future City Council Meeting; and
- c. Direct staff to prepare a Resolution to include restrictions and conditions of approval to allow limited alcohol service during the Event and present it to the City Council for adoption at a future City Council Meeting.

**FISCAL IMPACT:** At this time, staff does not know the full extent of the fiscal impact, if any. The action sought is for City Council to give approval for staff to negotiate an agreement between the parties. Normally, such agreements would, at a minimum, recover all costs incurred by the City for such items as Police, Parks, Public Works and other costs. Whether there is a profit-sharing element to the agreement would depend on event costs incurred by the parties and ticket sales. A better understanding of the fiscal impact will be known when staff returns to City Council with a final agreement for consideration.

**ALIGNMENT WITH COUNCIL GOALS:** None

**ANALYSIS:** Over the years, the City has made several efforts to bring significant cultural events to the community including several musical performances and an "Opera in the Park" event. History has shown that the quality of the performers and the production significantly impacts the success of the event. Over the years, the City has had several discussions with promoter Jack Leavitt about holding a Hispanic Rock concert event at South Gate Park.

Previously, the City Council gave tentative approval in December 2019 to work with Mr. Leavitt on bringing a music festival to the City. However, due to the COVID-19 Pandemic, the event was unable to go forward. Mr. Levitt has approached the City again, proposing a day long musical festival event in

August/September of 2022. Staff believes that an appropriate date could be found that does not conflict with the parks existing schedule, and if the City Council is willing to waive the enforcement of the prohibition of alcohol for the event, the event could be a significant opportunity for the community.

At this time, all that is being requested of the City Council is to approve the concept and commit to the approval of an alcohol waiver if an agreement is negotiated and approved by the City Council at a future date. Negotiation of such an agreement will require a significant commitment of time on both sides and tentative scheduling commitments from performers must be secured to determine the exact date of the event. Staff is therefore requesting approval of the concept and direction from the City Council to begin negotiations for the event. If approved, staff will return to the City Council in September with a detailed agreement and Resolution, including all public benefits, costs and appropriate restrictions as typically required by events serving alcohol at the park, for formal approval.

**BACKGROUND:** Jack Leavitt has spent over 20 years as a successful rock concert promoter working with major stars of the time. In 1987, Jack came out of a short “retirement” period to begin working on a new music sensation that he felt would sweep the nation, Rock en Espanol or Spanish Rock. Decades later, Mr. Leavitt is still working to promote Spanish language music and performers and is still producing and promoting concert events.

For several years, Mr. Leavitt has wanted to bring some of his Spanish rock performers to the Southeast area. Mr. Leavitt first proposed his concept and requested to include alcohol in an event at the park in 2012 and again in 2013. With South Gate Park being one of the best potential venues in the South East Area, he has continued to meet with City staff to assess the feasibility of such an event. The one consistent roadblock has been costs and the use of alcohol sponsors for the event.

In order to be able to cover the high cost of staging such an event, as well as the cost of the caliber of performer that Mr. Leavitt plans to bring to our City, he must either charge an entrance fee that may be out of reach for most of our residents or he must bring in sponsors. The most likely sponsors for such an event would be alcohol sponsors, who, as part of their sponsorship, will want to be able to serve the product that they are promoting.

Mr. Leavitt and his company are very familiar with organizing and implementing large public concerts which include alcohol. Back in 2012, staff and several City Council Members attended the Long Beach Lobster Festival, an event produced by Mr. Leavitt and his team. They were impressed by the professionalism of the event and event staff, as well as the peaceful, festive atmosphere. Mr. Leavitt maintains a great reputation within the industry through his continued successful and smooth operations.

Mr. Leavitt requested that staff consider a potential concert in August of 2020 at South Gate Park and this request was brought before the City Council in December of 2019. At that time, the City Council approved the event in concept and directed staff to begin negotiations with Mr. Leavitt. Due to the Covid-19 Pandemic the negotiations and concert were never realized.

The Department has once again been approached regarding a possible concert for August/September 2022. Based upon the current park schedule, staff believes the timeline would work and feels that such an event could bring many benefits to the community. An event with top level recording artists in South Gate would promote South Gate’s growing notoriety as a leader in the South East Los Angeles area.

In addition, any event agreement would ensure that all City costs, including policing, would be covered by the promoter.

Lastly, one of the benefits Mr. Leavitt is offering is to work with the local schools' music programs and support future performers. These performers would, in turn, participate in and donate to these music programs. The agreement would also include a percentage of profits which would be donated to the City for park improvements. The specific details of these public benefits would be included in the agreement which will be considered by the City Council for final approval.

**ATTACHMENT:** None.

JUL 20 2021  
5:00 pm

## WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2021/22)

PART I

apChkLst  
07/07/2021 9:14:46AMFinal Check List  
CITY OF SOUTH GATE

Item No. 17

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93164	7/8/2021	00000437	AFLAC	Ben287107	7/8/2021	AMERICAN FAMILY LIFE INS.: PA	635.82	635.82
		Voucher:						
93165	7/8/2021	00002417	AMERICAN FIDELITY ASSURANCE	Ben287099	7/8/2021	AMERICAN FIDELITY (ABT): PAYM	300.16	300.16
		Voucher:						
93166	7/8/2021	0011469	CALIFORNIA DENTAL NETWORK,	Ben287095	7/8/2021	CALIFORNIA DENTAL NETWORK	2,991.68	2,991.68
		Voucher:						
93167	7/8/2021	0012107	CALIFORNIA STATE DISBURSEME	Ben287113	7/8/2021	CA STATE DISB. UNIT: PAYMENT	115.38	115.38
		Voucher:						
93168	7/8/2021	0011535	CDTFA	Ben287109	7/8/2021	CA DEPT OF TAX & FEE ADMIN: F	386.68	386.68
		Voucher:						
93169	7/8/2021	00000438	COLONIAL INSURANCE CO.	Ben287093	7/8/2021	COLONIAL INSURANCE CO: PAYI	2,744.14	2,744.14
		Voucher:						
93170	7/8/2021	00002138	FRANCHISE TAX BOARD	Ben287103	7/8/2021	GARNISHMENT - FRANCHISE TA	396.14	396.14
		Voucher:						
93171	7/8/2021	0009920	OCSE CLEARINGHOUSE SDU	Ben287111	7/8/2021	GARNISHMENT - AR CHILD SUPP	324.00	324.00
		Voucher:						
93172	7/8/2021	00002421	POLICE MANAGEMENT ASSOCIA	Ben287101	7/8/2021	POLICE MANAGEMENT ASSOC. I	2,125.00	2,125.00
		Voucher:						
93173	7/8/2021	00000335	POLICE OFFICERS ASSOCIATION	Ben287105	7/8/2021	POLICE ASSOCIATION DUES: PA	4,900.00	4,900.00
		Voucher:						
93174	7/8/2021	0011466	PRINCIPAL LIFE INSURANCE CO.	Ben287087	7/8/2021	PRINCIPAL DENTAL PPO (MISC):	30,319.58	30,319.58
		Voucher:						
93175	7/8/2021	0011467	RELIANCE STANDARD	Ben287089	7/8/2021	LONG TERM DISABILITY: PAYME	4,198.64	4,198.64
		Voucher:						
93176	7/8/2021	0011468	SUPERIOR VISION SERVICES, IN	Ben287091	7/8/2021	SUPERIOR VISION MISC.: PAYME	3,918.12	3,918.12
		Voucher:						
93177	7/8/2021	00000334	UNITED WAY OF GREATER LOS A	Ben287097	7/8/2021	UNITED WAY: PAYMENT	34.33	34.33
		Voucher:						

Sub total for BANK OF THE WEST: 53,389.67

14 checks in this report.

Grand Total All Checks: 53,389.67

WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

apChkLst  
07/07/2021 3:14:20PM

Final Check List  
CITY OF SOUTH GATE

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93178	7/7/2021	0012958 CALDEN COURT	2021-100.04-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	4,659.00	
Voucher:			2021-100.07-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	4,053.00	8,712.00
93179	7/7/2021	0013082 CONTROL CONCEPTS	14524	2/25/2021	TROUBLESHOOT AND FIELDS SEI	666.92	666.92
Voucher:							
93180	7/7/2021	00000619 FALCON FUELS INC	36081PP	6/9/2021	REGULAR UNLEADED FUEL & S	29,823.09	
Voucher:			32771-PP	3/5/2021	REGULAR UNLEADED FUEL & T	10,493.57	
			34606PP	4/28/2021	REGULAR UNLEADED FUEL & S	9,026.38	
			35253-PP	5/18/2021	REGULAR UNLEADED FUEL & S	5,495.61	
			34394-PP	4/21/2021	REGULAR UNLEADED FUEL & S	4,899.36	
			36284	6/15/2021	REGULAR UNLEADED FUEL & S	4,496.33	
			36256PP	6/16/2021	REGULAR UNLEADED FUEL & S	3,816.87	68,051.21
93181	7/7/2021	00001151 LA COUNTY REGISTRAR-REC	6/29/2021	6/29/2021	RECORDING FEE FOR NOTICE C	75.00	75.00
Voucher:							
93182	7/7/2021	0013085 LOPEZ, RAYMONDA	2021-100.05-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	4,800.00	4,800.00
Voucher:							
93183	7/7/2021	0013074 MARY'S CARPET	2021-101.02-AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00	7,500.00
Voucher:							
93184	7/7/2021	0013075 MGTD PROPERTIES LP	2021-100.01-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	3,558.00	3,558.00
Voucher:							
93185	7/7/2021	0013084 NAVARRO, ANTONIO	2021-100.06-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	3,000.00	3,000.00
Voucher:							
93186	7/7/2021	0013031 NEWSTART HOUSING CORP	2021-100.02-AC	6/30/2021	CDBG EMERGENCY RENTAL PR	3,567.00	3,567.00
Voucher:							
93187	7/7/2021	0006216 PALM GATE APARTMENTS	2021-100.08-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	4,635.00	4,635.00
Voucher:							
93188	7/7/2021	0013086 PAZ, MARIA G	2021-100.03-AC	6/30/2021	CDBG EMERGENCY RENTAL AS	4,950.00	4,950.00
Voucher:							
93189	7/7/2021	0013073 VIRTUAL ZONE	2021-101.01-AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00	7,500.00
Voucher:							

Sub total for BANK OF THE WEST: 117,015.13

12 checks in this report.

Grand Total All Checks: 117,015.13

Gray highlights indicate prepaid checks



WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

apChkLst  
07/08/2021 9:43:32AM

Final Check List  
CITY OF SOUTH GATE

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93190	7/8/2021	00004166	4 SERVICE INC	210576	5/1/2021	MAY 2021 - OFFSITE DATA STOR	2,230.00	
	Voucher:			210677	6/1/2021	JUNE 2021 - OFFSITE DATA STO	2,230.00	
93191	7/8/2021	0013097	TACOS LA GUERA AL VAPOR	1	7/7/2021	EMPLOYEE APPRECIATION LUN	5,000.00	
	Voucher:							
Sub total for BANK OF THE WEST:							9,460.00	
2 checks in this report.							Grand Total All Checks:	9,460.00

WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

PART IV

apChkLst  
07/08/2021 1:44:38PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93192	7/8/2021	00003356	MISC - LIABILITY CLAIMS	CLAIM #21-27-30	7/8/2021	CLAIM #21-27-30 VEHICLE DAMA	2,500.00	2,500.00

Voucher:

Sub total for BANK OF THE WEST: 2,500.00

1 check in this report.

Grand Total All Checks: 2,500.00

WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

PART V

apChkLst  
07/14/2021 9:16:35AM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93193	7/14/2021	0013092	A&D AUTOMOTIVE REPAIR	2021-101.09AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93194	7/14/2021	0013093	DOLLAR BOUTIQUE INC	2021-101.10-AC	7/14/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93195	7/14/2021	0013083	ESPINOZA VICTOR	2021-100.09AC	6/30/2021	CDBG EMERGENCY RENTAL AS	6,000.00
		Voucher:					
93196	7/14/2021	0013088	MAGDALENO BEAUTY SALON	2021-101.04AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93197	7/14/2021	0013090	NOEVE HAIR STUDIO	2021-101.06AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93198	7/14/2021	0013089	OSCAR'S BARBER SHOP	2021-101.03AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93199	7/14/2021	0006493	OSTIONERIA EL COMPA	2021-101.07AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93200	7/14/2021	00004865	SO CALIF EDISON	6/15/2021	6/15/2021	BILLING PRD MAY/JUNE 2021 & F	207,590.32
		Voucher:					
93201	7/14/2021	0013091	T&Y NAILS	2021-101.05AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					
93202	7/14/2021	0013087	THE HOUND LLC	2021-101.06-AC	6/30/2021	CDBG SMALL BUSINESS GRANT	7,500.00
		Voucher:					

Sub total for BANK OF THE WEST: 273,590.32

10 checks in this report.

Grand Total All Checks: 273,590.32

Gray highlights indicate prepaid checks

WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

PART VIa

apChkLst  
07/19/2021 4:05:18PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93203	7/27/2021	00003502	ABC BATTERY INC.	06184	6/9/2021	UNIT#668 2- BATTERIES	35.08
		Voucher:		06289	6/24/2021	DIFFERENT SIZE OF BATT. FOR I	555.42
93204	7/27/2021	00004280	ADAMSON POLICE PRODUCTS	INV354131	5/21/2021	CTCF50 RIOT AGENT FILTER, 4 F	821.37
		Voucher:					821.37
93205	7/27/2021	00001467	ADMINISTRATIVE SERV. CO-OP	11507	5/31/2021	5/31/2021: TESTING TRIPS	22.65
		Voucher:		11525	5/31/2021	MAY 2021: FOOD INSECURITY PI	953.70
93206	7/27/2021	0010065	AFC HYDRAULIC SEALS &	31049	5/12/2021	#10 R2 HOSE X36"10MJ10 HOSE	165.38
		Voucher:					165.38
93207	7/27/2021	00004372	AIRGAS USA, LLC	9114492839	6/15/2021	CARBON DIOXIDE FOR POOL	172.31
		Voucher:					172.31
93208	7/27/2021	0011577	ALL PHASE ELECTRIC SUPPLY C0946-1017316		6/17/2021	STREET LIGHT & TRAFFIC SIGN/	104.74
		Voucher:					104.74
93209	7/27/2021	00000706	ALTEC INDUSTRIES, INC.	50796857	6/22/2021	6/17/18/21: ANNUAL SERVICE INS	891.40
		Voucher:					891.40

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93210	7/27/2021	00003399 ALVARADOSMITH	357401	6/30/2021	THUR 06/30/2021 RE: COSG ADV	357.50	
	Voucher:		357405	6/30/2021	THUR 06/30/2021 RE: COSG ADV	50.00	
			357408	6/30/2021	THUR 06/30/2021 RE: COSG ADV	125.00	
			357426	6/30/2021	THUR 06/30/2021 RE: COSG ET AL	1,200.00	
			357431	6/30/2021	THUR 06/30/2021 EMPLOYMENT	302.50	
			357432	6/30/2021	THRU 06/31/21 - GENERAL PROJ	1,842.50	
			357398	6/30/2021	THRU 06/30/21 - ATTEND SPECIA	2,767.50	
			357399	6/30/2021	THRU 06/30/21 - TUESDAYS, AGE	10,975.00	
			357419	6/30/2021	THRU 6/30/2021 RE: COSG ADV C	600.00	
			357424	6/30/2021	THRU 6/30/2021 RE: COSG ADV /	1,025.00	
			357425	6/30/2021	THRU 6/30/2021 RE: COSG ADV E	2,700.00	
			357427	6/30/2021	THUR 06/30/21 COMMUNITY DEV	2,475.00	
			357429	6/30/2021	THUR 06/30/2021 RE: COSG REG,	9,542.50	
			357430	6/30/2021	THUR 06/30/2021 RE: COSG ADV	7,550.00	
			357412	6/30/2021	THUR 06/30/2021 RE: COSG ADV	1,375.00	
			357418	6/30/2021	THRU 06/30/21 - COSG ADV NALI	2,741.10	
			357420	6/30/2021	THRU 05/31/21 - COSG ADV MAR	2,415.00	
			357421	6/30/2021	THRU 06/30/21 - COSG ADV LLO\	302.50	
			357422	6/30/2021	THRU 06/30/21 - COSG ADV DEBI	8,550.00	
			357423	6/30/2021	THRU 06/30/21 - COSG ADV MAR	1,450.00	
			357402	6/30/2021	THRU 06/30/21 RE: COSG ADV C,	6,827.00	
			357403	6/30/2021	THRU 06/30/21 RE: COSG ADV AI	927.50	
			357404	6/30/2021	THRU 06/30/21 RE: COSG ADV J/	302.50	
			357406	6/30/2021	THRU:06/30/21 RE: COSG ADV LL	2,000.00	
			357407	6/30/2021	THRU:06/30/21 RE: COSG ADV LL	5,866.90	
			357409	6/30/2021	THRU 06/30/21- COSG ADV ANTH	1,129.65	
			357410	6/30/2021	THRU 06/30/2021 RE: COSG ADV	575.00	
			357411	6/30/2021	THRU 06/30/2021 RE: COSG ADV	625.00	
			357413	6/30/2021	THRU 06/30/21 COSG ET AL ADV	1,719.25	
			357415	6/30/2021	THRU 06/30/2021 RE: COSG ADV	8,216.70	
			357416	6/30/2021	THRU 06/30/2021 RE: COSG ET A	4,218.20	
			357417	6/30/2021	THRU 06/30/2021 RE: COSG, ET /	5,212.50	
			357414	6/30/2021	THRU 6/30/2021 RE: COSG ADV /	4,030.00	
			357428	6/30/2021	IN REGARSING CSP	302.50	100,298.80

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93211	7/27/2021	00000018	AMERICAN RENTAL INC.	482190	6/29/2021	SCISSOR LIFT RENTAL FOR STO	414.25	
		Voucher:	482289	6/30/2021	SCISSOR LIFT RENTAL FOR STO	414.25	828.50	
93212	7/27/2021	00003098	AMERINAT	21-00600	6/4/2021	MAY 2021: LOANS BOARDED- AS	109.20	109.20
		Voucher:						
93213	7/27/2021	0013056	ANGEL, IRENE	Ref000285900	6/1/2021	UB REFUND CST #00057331 105:	192.55	192.55
		Voucher:						
93214	7/27/2021	0009798	ANIMAL FRIENDS PET HOTEL	440121	6/15/2021	6/10/2021: VETERINARY SERVI	358.50	358.50
		Voucher:						
93215	7/27/2021	0011121	APRINTCO	12195	5/5/2021	(5) VINYL STICKERS 3M REFLEC	573.30	
		Voucher:	10253	3/22/2021	SOCIAL DISTANCING BARRIERS	2,875.32	3,448.62	
93216	7/27/2021	0007290	APW KNOX-SEEMAN	16580951	6/21/2021	UNIT#198 2- STABILIZER BAR	57.53	57.53
		Voucher:						
93217	7/27/2021	00003529	AT&T	960-449-6558-071	7/1/2021	BILLING PRD-7/1/21-7/31/21	235.95	235.95
		Voucher:						
93218	7/27/2021	00003692	AT&T MOBILITY	287288333867X06	6/2/2021	5/3/21-6/2/21: MDCS DATA CARD	1,690.08	
		Voucher:	875963643X06162	6/8/2021	05/0921-06/08/21: MDCS DATA CA	580.05	2,270.13	
93219	7/27/2021	0009040	ATLAS BACKFLOW	35441	6/15/2021	PARTS FOR BACKFLOWS AT FOI	1,888.60	
		Voucher:	35440	6/15/2021	REPAIR PARTS FOR BACKFLOW	800.00	2,688.60	
93220	7/27/2021	0010585	AUTOZONE STORES, INC.	5488390468	5/26/2021	UNIT#812 COOLANT HOSE, THEI	217.48	
		Voucher:	5488390728	5/26/2021	WASH RACK RADIATOR HOSE R	5.48		
			5488391876	5/27/2021	UNIT#232 FENCO NEW BRAKE C	43.98		
			5488391812	5/27/2021	UNIT#812 MOLDED HEATER RAC	5.37		
			5488351582	4/19/2021	ULTRA BLACK SILICONE GASKE	53.79		
			5488391776	5/27/2021	UNIT#184 (2) HEADLIGHT SOCKE	12.55		
			5488407304	6/10/2021	UNIT#661 STABILIZER BAR AND	25.45		
			5488420576	6/22/2021	UNIT#364 EXTREME RV MIRROF	52.62		
			5488399610	6/3/2021	BRAKE PEDAL PAD	6.69		
			5488398586	6/2/2021	UNIT#152 MOUNT BUSHING SET	69.50		
			5488413082	6/15/2021	UNIT#198 SWAY BAR LINK	458.02		
			5488413835	6/16/2021	UNIT#183 FUEL MODULE	144.53		
			5488420750	6/22/2021	UNIT#214 WHEEL NUT	34.75	1,130.21	
93221	7/27/2021	0011336	AVANT-GARDE INC.	7022	6/28/2021	MAY 2021: 2ND YEAR OF CONTR	25,076.25	25,076.25
		Voucher:						
93222	7/27/2021	0013111	AVILA, ALFRED	Ref000287365	6/30/2021	UB REFUND CST #00033155 964	40.00	40.00
		Voucher:						

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93223	7/27/2021	0013115	AVILES, ALINA	Ref000287369	6/30/2021	UB REFUND CST #00055160 520	151.66	151.66	
		Voucher:							
93224	7/27/2021	0005456	BADGE FRAME, INC.	37668	6/3/2021	CARICATURE FRAMING FOR CO	213.35	213.35	
		Voucher:							
93225	7/27/2021	0013048	BECERRA, TERESA	Ref000285891	6/1/2021	UB REFUND CST #00037358 862	10.00	10.00	
		Voucher:							
93226	7/27/2021	0012979	BERNARDS OFFICE FURNITURE	44285	6/11/2021	AREA B- CODE ENFORCEMENT	1,649.01	1,649.01	
		Voucher:							
93227	7/27/2021	0008396	BLUE DIAMOND MATERIALS	2239040	6/7/2021	ASPHALT FOR ST DIV	9.04	9.04	
		Voucher:							
93228	7/27/2021	0013112	BOKSH, BOSCO	Ref000287366	6/30/2021	UB REFUND CST #00060102 103	90.42	90.42	
		Voucher:							
93229	7/27/2021	0012970	BOUCHER LAW	617	7/7/2021	JUNE 2021 LEGAL SVCS FOR LA	10,230.00	10,230.00	
		Voucher:							
93230	7/27/2021	0011469	CALIFORNIA DENTAL NETWORK, APR 2021		3/20/2021	APR 2021: ADJ FOR MISC & SWC	-259.62		
		Voucher:			4/20/2021	MAY 2021: ADJ FOR MISC & SWO	372.90		
					6/17/2021	JUN 2021 PAYMENT FOR ACTIVE	291.42	404.70	
93231	7/27/2021	0013116	CAMPOS, JOSE	Ref000287370	6/30/2021	UB REFUND CST #00055773 330	175.05	175.05	
		Voucher:							
93232	7/27/2021	00004433	CARPENTER, ROTHANS & DUMO	38323	6/15/2021	05/31/21 RE: MENDOZA, ROSEMA	12,763.86		
		Voucher:			6/15/2021	5/31/21 RE: POTENTIAL CLAIM F	1,139.60		
					6/15/2021	5/31/21 RE: CANIZALES, DANIEL	62.90	13,966.36	
93233	7/27/2021	0013105	CASTRO, JOSE	Ref000287347	6/17/2021	UB REFUND CST #00031335 980	32.25	32.25	
		Voucher:							
93234	7/27/2021	0012082	CBT NUGGETS, LLC	2404429	6/18/2021	CBTNUGGETS ONLINE IT TRAINI	1,797.00	1,797.00	
		Voucher:							
93235	7/27/2021	0006239	CENTRAL FORD	374120	6/1/2021	UNIT# 362 FORD TAILLIGHT LAM	132.18		
		Voucher:			374292	6/21/2021	UNIT#618 AIR FILTER	72.02	
					374389	6/23/2021	UNIT#664 BREATHER TUBE	372.43	
					374291	6/21/2021	UNIT#401 RUNNING BOARD	421.71	
					374449	6/24/2021	UNIT#664 FUEL DELIVERY HOSE	279.31	
					374109	6/1/2021	UNIT#408 KIT	12.22	1,289.87
93236	7/27/2021	00005073	CITY OF DOWNEY	235129	6/16/2021	JUL 2020-MAR SHARED TRAFFIC	434.50	434.50	
		Voucher:							

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93237	7/27/2021	00005244	CITY OF LAKEWOOD	54911	5/9/2020	APR 2021: CONTRIBUTION TOW	1,914.23	1,914.23
		Voucher:						
93238	7/27/2021	00005090	CITY OF PARAMOUNT	0004646	7/1/2021	JAN-MAR 2021: SHARED MAINT	238.15	238.15
		Voucher:						
93239	7/27/2021	0012842	CLASS TELECOM LLC	Ref000287363	6/30/2021	UB REFUND CST #00056296 5721	35.00	
		Voucher:	Ref000285894	6/1/2021	UB REFUND CST #00056296 5721	35.00	70.00	
93240	7/27/2021	0011922	CONCENTRA MEDICAL CENTER	571403162	5/19/2021	5/14/21-5/18/21: MEDICAL SERVIC	275.50	
		Voucher:	71485016	5/27/2021	5/24/21: MEDICAL SERVICES PR	138.00		
			71842645	7/7/2021	6/23/21-6/28/2021: MEDICAL SER'	1,167.50		
			71765940	6/30/2021	6/14/21-6/22/21 MEDICAL SERVIC	581.00		
			71690282	6/30/2021	6/11/2021 LAX VERNON SOTO- D	203.00	2,365.00	
93241	7/27/2021	00003528	CPS - HR CONSULTING	SOP53046	6/24/2021	6/8/21 TEST ADMINISTRATION SI	777.70	777.70
		Voucher:						
93242	7/27/2021	0013055	CRUZ, CATI	Ref000285899	6/1/2021	UB REFUND CST #00059717 2741	171.28	171.28
		Voucher:						
93243	7/27/2021	0008452	CXTEC	7094992	6/14/2021	CXTEC TRIPP LITE 600VA UPS B	2,996.12	
		Voucher:	7095268	6/15/2021	CXTEC CISCO UCS C220 M4 SEF	2,596.39		
			7096323	6/23/2021	CXTEC CISCO UCS C220 M4 SEF	130.00	5,722.51	
93244	7/27/2021	0013108	D & ED LIQUOR, INC	Ref000287350	6/17/2021	UB REFUND CST #00054803 9811	178.22	178.22
		Voucher:						
93245	7/27/2021	0013051	D2GR, LLC	Ref000285895	6/1/2021	UB REFUND CST #00061256 2521	93.83	93.83
		Voucher:						
93246	7/27/2021	00001423	DAILY JOURNAL CORPORATION	B3484170	6/24/2021	NOTICE OF HEARING:CONDITIO	265.00	
		Voucher:	B3473365	5/27/2021	NOTICE OF HEARING: ORDINAN	180.00	445.00	
93247	7/27/2021	0013106	DALENDLS LLC	Ref000287348	6/17/2021	UB REFUND CST #00061264 8931	113.35	113.35
		Voucher:						
93248	7/27/2021	00000314	DAPEER ROSENBLIT & LITVAK	LL18857	5/31/2021	MAY 2021 - (CDBG) MUNICIPAL C	1,688.80	
		Voucher:	18860	5/31/2021	MAY 2021-GENERAL PROFESSIC	17.50	1,706.30	
93249	7/27/2021	00002706	DATA TECHNOLOGIES INC, AC&C	3017700-IN	6/17/2021	DATA TECHNOLOGIES PREPAID	7,000.00	
		Voucher:	3017736-IN	6/25/2021	DATA TECHNOLOGIES CD/PW C	1,762.04		
			3017735-IN	6/25/2021	DATA TECHNOLOGIES CD/HOUS	1,534.98		
			3017732-IN	6/25/2021	DATA TECHNOLOGIES ADMINIST	314.21		
			3017734-IN	6/25/2021	DATA TECHNOLOGIES BUSINES	333.77	10,945.00	
93250	7/27/2021	0013110	DELGADO, ALMA	Ref000287364	6/30/2021	UB REFUND CST #00034269 1021	40.00	40.00
		Voucher:						



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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93251	7/27/2021	0007803	DON KELLER COLLISION CENTE	583	5/25/2021	LEFT INNER & LEFT REAR AND F	1,400.00	
		Voucher:	582	5/25/2021	FRONT BUMPER, PANEL AND GF	1,950.00	3,350.00	
93252	7/27/2021	0007048	ECOSIGN	21-2681	6/28/2021	HOLLYDALE REGIONAL PARK MK	17,472.82	
		Voucher:					17,472.82	
93253	7/27/2021	00004746	ELECSYS CORPORATION	SIP-E137250	6/28/2021	JUNE 2021-UMS SOFTWARE SUF	350.00	
		Voucher:					350.00	
93254	7/27/2021	0012683	EMP: LOERA, JOSE	3/31/2021	6/29/2021	REIMBURSTMENT FOR RENEWA	180.00	
		Voucher:					180.00	
93255	7/27/2021	00001917	ENTENMANN - ROVIN CO.	0156164-IN	1/22/2021	SG 153 C FLAT BADGE-SENIOR C	171.55	
		Voucher:					171.55	
93256	7/27/2021	00000619	FALCON FUELS, INC.	36256	6/16/2021	ULTRA LOW SULFUR DIESEL & SA	3,816.87	
		Voucher:					3,816.87	
93257	7/27/2021	00002026	FEDERAL EXPRESS CORPORATI	7-400-50322	6/22/2021	FEDEX PRIORITY OVERNIGHT	187.80	
		Voucher:					187.80	
93258	7/27/2021	00003770	FLEMING ENVIRONMENTAL INC.	17537	6/23/2021	EMERGENCY SERVICE CALL	1,029.49	
		Voucher:	17466	6/10/2021	DESIG. OPER. 30DAY INSPECTIC	540.00	1,569.49	
93259	7/27/2021	0010237	FRONTIER COMMUNICATIONS	209-057-1084 07/2	7/1/2021	BILLING - 07/01/21-07/31/21	54.58	
		Voucher:	562-197-1130-060	6/5/2021	BILLING PRD- 06/05/21 -07/04/21	567.83		
			561-197-1130-050	5/5/2021	BILLING PRD- 05/05/21 -06/04/21	559.40		
			562-197-1130-040	4/5/2021	BILLING PRD- 04/01/21 -05/04/21	623.33	1,805.14	
93260	7/27/2021	00004934	GAS COMPANY	113 798 0326 7 07	7/1/2021	BILLING PRD-6/01/21 -07/01/21	5,794.53	
		Voucher:					5,794.53	
93261	7/27/2021	00002304	GENERAL PUMP COMPANY	28518.28560R	5/31/2021	RELEASE OF RETENTION 411-73	6,180.95	
		Voucher:	28560	3/22/2021	4/1/21-4/13/21 WELL NO. 19 PUMI	8,663.05	14,844.00	
93262	7/27/2021	00004869	GOLDEN STATE WATER COMPAN	32809400008 07/2	7/6/2021	BILLING PRD- 06/02/21 - 07/02/21	44.59	
		Voucher:	33744100000 07/2	7/6/2021	BILLING PRD- 06/09/21 - 07/02/21	179.68		
			53744100008 07/2	7/6/2021	BILLING PRD- 06/02/21 - 07/02/21	248.12		
			63744100007 07/2	7/6/2021	BILLING PRD- 06/02/21 - 07/02/21	961.75		
			73744100006 07/2	7/6/2021	BILLING PRD- 06/08/21 - 07/06/21	170.89		
			29007447310 07/2	7/7/2021	BILLING PRD- 06/03/21 - 07/06/21	74.90	1,679.93	
93263	7/27/2021	0008109	GOODIE'S UNIFORM	36821	6/11/2021	UNIFORM FOR R CANCIO-MOTO	610.76	
		Voucher:					610.76	
93264	7/27/2021	0012950	GOVQA, LLC	INV371	3/31/2021	PUBLIC RECORDS REQUEST SC	8,500.00	
		Voucher:					8,500.00	

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93265	7/27/2021	00002890 GRAINGER	9905919826	5/19/2021	CABLE TIE FOR ELEC DIV	8.27	
		Voucher:	9928799114	6/10/2021	MAILBOX FOR SALT LAKE TANSF	129.42	137.69
93266	7/27/2021	00000534 GRANDE VISTA STEEL	167510	6/21/2021	WORK ORDER #818253 & 818219	496.13	496.13
		Voucher:					
93267	7/27/2021	00002577 HACH COMPANY	12507507	6/18/2021	RE-STOCK CHLORINE REAGENT	219.40	219.40
		Voucher:					
93268	7/27/2021	0011526 HASA, INC.	757959	6/25/2021	MULTI-CHLOR	235.38	
		Voucher:	757963	6/25/2021	MULTI-CHLOR	295.91	
			755750	6/17/2021	MULTI-CHLOR	242.11	
			755753	6/17/2021	MULTI-CHLOR	125.09	
			757961	6/25/2021	MULTI-CHLOR	719.60	
			755749	6/17/2021	MULTI-CHLOR	251.59	
			755751	6/17/2021	MULTI-CHLOR	147.96	2,017.64
93269	7/27/2021	0013113 HERNANDEZ, GERARDO	Ref000287367	6/30/2021	UB REFUND CST #00060097 9710	95.37	95.37
		Voucher:					
93270	7/27/2021	00000268 HOME DEPOT CREDIT SERVICES	5341701	6/16/2021	SPRAYER RATCHET SET AND ST	441.83	
		Voucher:	4373883	6/17/2021	GROUNDS MAINTENANCE SUPP	27.64	
			8360367	6/23/2021	WORK ORDER 818138 JAIL CELL	326.49	
			6360377	6/25/2021	WORK ORDER #817295 FOR COI	558.39	
			4352419	6/17/2021	REPAIR DRINKING FOUNTAINS C	76.02	
			6352485	6/25/2021	WORK ORDER #818057 FABRICA	146.34	
			5360357	6/16/2021	AC UNIT REPLACEMENT FOR TF	658.90	
			818201	6/17/2021	WORK ORDER 818201 FAN FOR	197.87	
			7352477	6/24/2021	GROUNDS MAINTENANCE SUPP	37.19	
			2352404	6/19/2021	WORK ORDER 818229 INSTALLA	43.07	
			7352472	6/24/2021	WORK ORDER #818016 RETRO F	175.67	2,689.41
93271	7/27/2021	00003106 INDUSTRIAL CONTAINER SVC, LL	51065752	3/16/2021	30 GAL RECON #6 OT DRUM U N	4,218.20	4,218.20
		Voucher:					
93272	7/27/2021	0012908 INK HEAD DESIGN & PRINTS	8511	6/14/2021	STICKERS FOR COPS 4 KIDS PR	992.25	992.25
		Voucher:					

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93273	7/27/2021	0006934	INSIGHT PUBLIC SECTOR,INC	1100796393	12/19/2020	INSIGHT HARDWARE FOR CD-HI	492.21
		Voucher:		1100847567	6/24/2021	6/21/21-6/21/22: INSIGHT AUTOCA	5,976.65
				1100796758	12/21/2020	INSIGHT HARDWARE FOR CD-HI	1,169.86
				1100799717	1/4/2021	INSIGHT HARDWARE FOR CD-HI	1,323.79
				1100799472	12/31/2020	INSIGHT - MICROSOFT SURFACE	618.56
				1100796276	12/18/2020	INSIGHT - MICROSOFT SURFACE	4,743.61
				1100796277	12/18/2020	INSIGHT HARDWARE FOR CD-HI	2,999.87
							17,324.55
93274	7/27/2021	00004578	INTERWEST CONSULTING GROU	68823	5/17/2021	APR 2021: PLAN CHECK SERVIC	10,943.48
		Voucher:		68490	4/23/2021	APRIL 2021 SUPPORT SERVICES	20,000.00
							30,943.48
93275	7/27/2021	0013036	J.A. SALAZAR CONSTRUCTION &	407-1	6/30/2021	CONSTRUCTION OF THE LONG I	278,825.00
		Voucher:					278,825.00
93276	7/27/2021	00000209	JHM SUPPLY , INC.	66312/3	6/21/2021	IRRIGATION SUPPLIES & PARTS	25,891.04
		Voucher:					25,891.04
93277	7/27/2021	0013049	JIMENEZ HAIR DESINGN	Ref000285892	6/1/2021	UB REFUND CST #00049470 391	10.18
		Voucher:					10.18
93278	7/27/2021	0005586	JOE A. GONSALVES & SONS	159122	6/21/2021	4TH QUATER FILING LEGISLATIV	45.00
		Voucher:					45.00
93279	7/27/2021	00000430	JOHN L. HUNTER AND ASSOCIAT	SG1BCR12102	3/31/2021	FEB 2021 PROFESSIONAL SER F	20,189.92
		Voucher:		SG1BCR12104	6/4/2021	APRI 2021 PROF SERVICES FOR	115.00
				SG1BCR12101	3/31/2021	JAN 2021 PROF SERVICES FOR	230.00
				SG1BCR12011	12/21/2021	NOV 2020 PROF SERVICES FOR	285.00
				SG1UOR12011	12/21/2020	NOV 2020 PROFSERVICES FOR	95.00
				SG1UOR12101	3/31/2021	JAN 2021 PROF SERVICES FOR	115.00
				SG1BCR12103	5/4/2021	MARCH 2021 PROFESSIONAL SE	287.50
				SG1UOR12103	5/4/2021	MARCH 2021 PROF SERVICES F	287.50
				SG1UOR12102	3/31/2021	FEB 2021 PROF SERVICES FOR	460.00
				SG1UOR12104	6/4/2021	APRIL 2021 PROF SERVICES FOI	230.00
							22,294.92
93280	7/27/2021	0011585	JOHNSON CONTROLS FIRE	22339749	6/16/2021	4/1/21-6/30/21: ANNUAL SERVICE	296.75
		Voucher:		22339738	6/16/2021	4/1/21-6/30/21: ANNUAL SERVICE	211.75
				22339756	6/16/2021	4/1/21-6/30/21: ANNUAL SERVICE	296.75
				22349502	6/23/2021	1/1/31-6/30/21: ANNUAL SERVICE	628.50
							1,433.75
93281	7/27/2021	00004293	JWA, URBAN CONSULTANTS, INC	SG#3	6/1/2021	MARCH, APRIL, MAY 2021 LEAP C	1,773.75
		Voucher:					1,773.75
93282	7/27/2021	0013053	KHANSARI, HASSAN	Ref000285897	6/1/2021	UB REFUND CST #00063566 430	151.34
		Voucher:					151.34

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93283	7/27/2021	0012510	KILEY & ASSOCIATES, LLC	SG210701	7/1/2021	JUNE 2021 FEDERAL LEGISLATI	3,333.33	3,333.33
			Voucher:					
93284	7/27/2021	00003540	LA COUNTY DEPT. OF PUBLIC W	IN210001054	6/24/2021	2/1/21-5/31/21: T.S. 0329/ALAMED	512.39	512.39
			Voucher:					
93285	7/27/2021	0006905	LA COUNTY SHERIFF'S DEPARTM	212522BL	6/11/2021	MAY 2021: FOOD FOR THE JAIL	591.60	591.60
			Voucher:					
93286	7/27/2021	00005062	LA CTY POLICE CHIEF'S ASSOC.	2021-RI	12/4/2020	RI CK# 91244: 2021 LACPCA ANN	500.00	500.00
			Voucher:					
93287	7/27/2021	0012590	LA TRUCK & AUTO INC, NAPA AU	5156-196426	6/16/2021	BRACLEEN CRIMSON 2 GRS CAI	289.02	
			Voucher:	5156-196807	6/21/2021	UNIT#140,145 LARGE ANGLE BR	158.77	
				5156-197172	6/24/2021	10-NITRILE GLOVES	324.02	
				5156-196941	6/22/2021	UNIT#172 EVAPORATOR CORE	75.75	
				5156-197032	6/22/2021	UNIT#S200 STOCK UP ON SUPPI	225.11	1,072.67
93288	7/27/2021	0007795	LAWRENCE ROLL UP DOORS, IN	2121854	6/30/2021	6/17/21:PLANNED MAINT. SERVIC	575.00	575.00
			Voucher:					
93289	7/27/2021	0005527	LEAD TECH ENVIRONMENTAL	12437	5/3/2019	LEAD PAINT INSPECTION - 5209	295.00	
			Voucher:	13828	4/13/2021	LEAD PAINT INSPECTION & RISK	898.00	
				12913	11/12/2019	LEAD PAINT INSPECTION - 8987	550.00	1,743.00
93290	7/27/2021	00004292	LEVERAGE INFORMATION SYSTE	2131750	6/30/2021	4/19/2021: 4LEVERAGE INFORM/	80.00	80.00
			Voucher:					
93291	7/27/2021	00003754	LIEBERT CASSIDY WHITMORE	1522314	5/31/2021	5/31/2021 RE: GENERAL ADVICE	532.00	532.00
			Voucher:					
93292	7/27/2021	0013114	LIRA, JUAN	Ref000287368	6/30/2021	UB REFUND CST #00054188 103:	133.64	133.64
			Voucher:					
93293	7/27/2021	0013109	LLC, EAST FIRESTONE	Ref000287351	6/17/2021	UB REFUND CST #00063266 935:	204.28	204.28
			Voucher:					
93294	7/27/2021	0012021	LOCAL AGENCY FORMATION COI	2021-LAF-002	6/23/2021	ASSESSOR PROCESSING FEES:	1,500.00	1,500.00
			Voucher:					
93295	7/27/2021	0011203	MARCO POWER EQUIPMENT	21214590	5/4/2021	REPLACEMENT WEEDEATER HE	18.74	
			Voucher:	21214591	5/5/2021	REPLACEMENT PART FOR ONE	523.68	542.42
93296	7/27/2021	0012870	MARIELENA BIBRIESCA DE AREL	MBSUMMER0621	6/30/2021	6/15/21-6/30/21: STEP AEROBICS	300.00	300.00
			Voucher:					
93297	7/27/2021	0011433	MARK THOMAS & COMPANY, INC	39756	3/26/2021	THRU 2/28/21: DESIGN SVCS - LC	1,592.97	1,592.97
			Voucher:					

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93298	7/27/2021	00004060	MCMaster-CARR SUPPLY CO	60337225	6/21/2021	MINIATURE LIGHT BULB	14.68	
	Voucher:		60474429	6/23/2021	1- TUBE BENDER FOR ALUMINUI	48.37		
			60719737	6/28/2021	DISTANCE MEASURING WHEEL,	159.39		
			60794759	6/29/2021	2 EA PLASTIC HOSE FITTING 1-1	30.76	253.20	
93299	7/27/2021	0013054	MELGAR, ANGELA	Ref000285898	6/1/2021	UB REFUND CST #00058830 102	158.23	
	Voucher:						158.23	
93300	7/27/2021	0011575	MERCHANTS BUILDING	630760	5/31/2021	MAY 2021: MBM ANNUAL JANITO	6,888.00	
	Voucher:		630759	5/31/2021	MAY 2021: MBM ANNUAL JANITO	19,257.44		
			633584	6/30/2021	JUN 2021: MBM ANNUAL JANITOI	6,888.00	33,033.44	
93301	7/27/2021	0012826	MGT OF AMERICA CONSULTING,	39562	5/14/2021	MGT CONSULTING GROUP, FIRE	83,736.15	
	Voucher:						83,736.15	
93302	7/27/2021	00003664	MISC - SETTLEMENTS	MOSLEY	7/14/2021	PAYMENT OF SETTLEMENT AMC	7,500.00	
	Voucher:						7,500.00	
93303	7/27/2021	0013052	MOSCHETTI, JOSEPH	Ref000285896	6/1/2021	UB REFUND CST #00057075 407i	145.27	
	Voucher:						145.27	
93304	7/27/2021	0012903	MUNICIPAL DIVING SERVICE INC.2032		6/12/2021	6/10/21: LEAK REPAIR - WESTSIE	3,230.00	
	Voucher:		2026	6/12/2021	4/20/21 & 6/9/21: WET INSPECTIC	7,570.00	10,800.00	
93305	7/27/2021	00004620	MUTUAL LIQUID GAS & EQUIPME530448		5/13/2021	PROPANE GAS AND COMPLIANC	832.79	
	Voucher:						832.79	
93306	7/27/2021	0009426	MV CHENG & ASSOCIATES, INC.	6/30/2021	6/30/2021	JUNE 2021 AS-NEEDED ACCOUN	12,390.00	
	Voucher:		6/30/2021a	7/13/2021	JUNE 2021 ACCOUNTING SERVI	5,320.00	17,710.00	
93307	7/27/2021	00004969	NATIONAL READY MIXED CONCR781946		6/16/2021	READY MIXED CONCRETE FOR	639.95	
	Voucher:						639.95	
93308	7/27/2021	0012286	NATIONWIDE ENVIRONMENTAL, :	31661	6/30/2021	JUN 2021: ANNUAL ST SWP CON	56,580.00	
	Voucher:						56,580.00	
93309	7/27/2021	0009990	NATURE'S SELECT PET FOOD	4263	6/14/2021	DOG FOOD VEGA/MAILO (6/10/21	96.95	
	Voucher:		4254	6/4/2021	DOG FOOD COOK/MAIKO (06/04/	96.95	193.90	
93310	7/27/2021	0013104	NAVARRO, LUIS	Ref000287346	6/17/2021	UB REFUND CST #00035395 847:	30.98	
	Voucher:						30.98	
93311	7/27/2021	0010683	NEW CHEF FASHION, INC.	1006818	5/25/2021	POLO SHIRTS FOR NEIGHBORH	633.17	
	Voucher:						633.17	
93312	7/27/2021	0011725	NEXTECH SYSTEMS, INC.	INV798	6/30/2021	CLARY BATTERY BACKUP SYSTI	8,437.71	
	Voucher:						8,437.71	
93313	7/27/2021	00003843	NORTH STAR ELECTRONICS, LLC2875		6/24/2021	FED SIG AMBER ALLEGIANT BAF	6,819.95	
	Voucher:						6,819.95	

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93314	7/27/2021	00001414	OFFICE DEPOT	2498229020	6/3/2021	PRINTED MATERIAL FOR EVENT	250.80
		Voucher:		2496986993	5/28/2021	PRINTED MATERIAL FOR CLEAN	72.60
93315	7/27/2021	0013096	OFFICE TEAM	REB57662474	5/13/2021	REF PO # 6440: TEMPORARY ST,	1,310.08
93316	7/27/2021	0006418	ORANGE COUNTY TREASURER	SH 58798	7/15/2021	JUNE 2020 TACTICAL RANGE FE	385.88
93317	7/27/2021	0007984	O'REILLY AUTO PARTS	3063-412955	6/21/2021	UNIT#197 SWAY LINK KIT	61.06
93318	7/27/2021	0012757	PACIFIC HYDROTECH CORPORA8		5/25/2021	CONSTRUCTION OF WATER FAC	208,772.00
		Voucher:		7	5/25/2021	CONSTRUCTION OF WATER FAC	200,402.50
93319	7/27/2021	00004582	PARKHOUSE TIRE INC	1010805753	6/16/2021	TIRES FOR CITY VECHICLES	916.74
		Voucher:		1010805734	6/16/2021	4-TIRES	916.74
				1010805884	6/16/2021	UNIT#479 4- HT2 BLK	591.68
93320	7/27/2021	0011294	PARKWOOD LANDSCAPE	100712-A	9/30/2021	SEP 2020 ANNUAL LANDSCAP M	750.00
		Voucher:		100573-A	8/31/2021	AUG 2020 ANNUAL LANDSCAP M	750.00
93321	7/27/2021	0013095	PD: HERNANDEZ, OSCAR	1-3036	7/6/2021	JUNE 21-25, 2021: MILAGE, TRAIL	75.04
93322	7/27/2021	0013094	PD: OSORIO, JESUS	1-3036	7/6/2021	JUNE 21-25, 2021: MILAGE AND M	152.80
93323	7/27/2021	00004717	PETTY CASH- GENERAL FUND -	5/26/2021-6/30/20	6/30/2021	5/26/21-6/30/21 PETTY CASH RE	228.31
93324	7/27/2021	00004271	PK: BETANCOURT, CRYSTAL	CBSUMMER0621	6/24/2021	6/21/21-6/25/25: DANCE CAMP	1,200.60
93325	7/27/2021	0011257	PK: GUILMETTE, ROBERT	RGSUMMER0621	6/30/2021	6/16/21-6/30/21: YOGA	450.00
93326	7/27/2021	00003720	PK: RODRIGUEZ, BEATRIZE J	BRSUMMER2021	6/30/2021	5/18/21-6/29/21: OVER EASY CLA	260.00
93327	7/27/2021	00003721	PLUMBERS DEPOT INC.	PD-48645	6/24/2021	REPLACE AND INSTALL NEW HO	2,391.04
93328	7/27/2021	0009511	PRADO FAMILY SHOOTING RANG	5591	4/4/2021	3/31/21: FACILITY USE FOR SWA	400.00
93329	7/27/2021	0011466	PRINCIPAL LIFE INSURANCE CO.	APR 2021	3/28/2021	APR 2021-ADJ FOR MISC & SWO	-694.58
		Voucher:		MAY 2021	4/28/2021	MAY 2021- ADJ FOR MISC & SWC	2,801.02
				JUN 2021	5/28/2021	JUN 2021-ADJ FOR MISC & SWO	3,894.78

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total		
93330	7/27/2021	0005572	QUINN POWER SYSTEMS	WO370158796	6/15/2021	FIELD TROUBLESHOOTING EME	700.00	700.00	
		Voucher:							
93331	7/27/2021	0012992	RAK DEVELOPMENT, INC.	21-059	6/7/2021	MAY 2021: ENGINEERING DESIG	16,314.00	16,314.00	
		Voucher:							
93332	7/27/2021	00002735	ROADLINE PRODUCTS, INC.	16360	3/22/2021	REPLACEMENT PARTS FOR GRA	3,228.12		
		Voucher:		16380	3/24/2021	REPLACEMENT PARTS FOR GRA	3,424.37	6,652.49	
93333	7/27/2021	0007826	RON'S MAINTENANCE, INC.	239	6/27/2021	MAINT. OF CATCH BASINS YEAR	13,612.00	13,612.00	
		Voucher:							
93334	7/27/2021	0012589	S&L INTERNATIONAL, INC.	68424	4/29/2021	4/30/21-4/29-22: S&L INTERNATIC	12,452.00	12,452.00	
		Voucher:							
93335	7/27/2021	0010999	SAFNA ENGINEERING	10249-B	3/15/2021	FEB 2021: PROJECT MGMT SERV	19,873.00		
		Voucher:		10245-B	2/10/2021	JAN 2021: PROJECT MGMT SERV	18,564.00	38,437.00	
93336	7/27/2021	0010999	SAFNA ENGINEERING	10264-B	6/9/2021	MAY 2021: SAFNA AMENDMENT I	15,351.00	15,351.00	
		Voucher:							
93337	7/27/2021	0013107	SALCEDO, RODRIGO	Ref000287349	6/17/2021	UB REFUND CST #00062566 898:	162.09	162.09	
		Voucher:							
93338	7/27/2021	0010623	SECTRAN SECURITY INC.	21060462	6/7/2021	JUN 2021: ARMORED TRUCK SEI	280.24	280.24	
		Voucher:							
93339	7/27/2021	00004834	SECURITY SIGNAL DEVICES SYS340942		6/15/2021	6/14/21: HOLLYDALE RESOURCE	139.00		
		Voucher:		S-01049458	6/21/2021	HOLLYDALE RESOURCE CENTE	278.00	417.00	
93340	7/27/2021	0012588	SHI	B13414151	4/30/2021	4/30/21-4/29/22: KNOWBE4 SECU	5,228.00	5,228.00	
		Voucher:							
93341	7/27/2021	0012098	SO CAL COMPTON PIPE SUPPLY 2204		6/10/2021	CORP STOP, SADDLE- WATER SI	1,182.24	1,182.24	
		Voucher:							
93342	7/27/2021	00005096	SOUTH COAST A.Q.M.D.	3825403	6/3/2021	6/3/21: FACILITY ID 173283 - FLA	142.59		
		Voucher:		3821943	6/4/2021	6/4/21: FACILITY ID 173283 - ICE	440.15		
				3841208	6/17/2021	6/17/21: FACILITY 15369 - ICE (50	570.26		
				3841213	6/17/2021	6/17/21: FACILITY 16859 - ICE (50	700.37		
				3841278	6/17/2021	6/4/21: FACILITY ID 47532 - ICE (E	440.15		
				3842198	6/17/2021	6/17/21: FACILITY ID 15369 - FLA	142.59		
				3842212	6/17/2021	6/17/21: FACILITY ID 15369 - FLA	142.59		
				3842408	6/17/2021	6/17/21: FACILITY ID 47532 - FLA	142.59	2,721.29	
93343	7/27/2021	00004864	SOUTHERN CALIFORNIA EDISON7501205377		12/9/2020	PRODUCT#1458255 8815 CALDE	1,807.99	1,807.99	
		Voucher:							

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Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93344	7/27/2021	0009420	SPARKLETTS	15758432 062521	6/25/2021	SPARKLETTS WATER SERVICE	438.90	438.90
		Voucher:						
93345	7/27/2021	0012980	SPECTRUM	108308401060121	6/1/2021	JUN 2021: FIBER OPTICS FOR PI	945.21	945.21
		Voucher:						
93346	7/27/2021	00004908	STATUS ONE MEDICAL INC	62344	5/19/2021	FIRST AID KIT SUPPLIES	29.27	
		Voucher:		62466	6/23/2021	FIRST AID SUPPLIES	62.29	91.56
93347	7/27/2021	0005394	STEVE SWAIN INVESTIGATOR	1401	6/24/2021	BACKGROUND INVESTIGATION I	1,349.95	
		Voucher:		1402	6/24/2021	BACKGROUND INVESTIGATION I	1,349.95	
				1403	6/22/2021	BACKGROUND INVESTIGATION :	1,000.00	3,699.90
93348	7/27/2021	0012829	STS EDUCATION, SCHOOL TECH	48250	4/19/2021	PD DISTANT LEARNING AND NO	14,866.25	14,866.25
		Voucher:						
93349	7/27/2021	0013050	SUNSHINE MEDICAL CLINC INC.	Ref000285893	6/1/2021	UB REFUND CST #00047912 327!	33.89	33.89
		Voucher:						
93350	7/27/2021	0011468	SUPERIOR VISION SERVICES, IN	514716	4/23/2021	MAY 2021 - ADJ FOR ACTIVE SW	60.84	
		Voucher:		524439	5/23/2021	JUN 2021 - ADJ FOR ACTIVE SW	-49.10	
				472245	12/23/2020	JAN 2021- ADJ FOR ACTIVE SWC	0.65	
				483970	1/23/2021	FEB 2021- ADJ FOR ACTIVE SWC	-106.12	
				496172	2/23/2021	MAR 2021 - ADJ FOR ACTIVE SV	47.42	
				503181	3/23/2021	APR 2021 - ADJ FOR ACTIVE SW	49.59	3.28
93351	7/27/2021	00003795	TANGENT COMPUTER, INC.	SI107553	6/16/2021	TANGENT HOSTED INBOUND EM	1,435.00	
		Voucher:		SI100726	10/30/2019	TANGENT HOSTED SPAM FILTEF	1,435.00	2,870.00
93352	7/27/2021	00004921	TARGET SPECIALTY PRODUCTS	INVP50050726	5/4/2021	PESTICIDES	885.78	885.78
		Voucher:						
93353	7/27/2021	0009039	TETRA TECH	51732694	5/7/2021	PROFESSIONAL ENGINEERING :	3,330.00	3,330.00
		Voucher:						
93354	7/27/2021	0009874	THE WALKING MAN, INC.	F1921	6/29/2021	DISTRIBUTION OF ANNUAL WATI	3,250.00	3,250.00
		Voucher:						
93355	7/27/2021	00003851	THOMSON REUTERS	844467744	6/1/2021	MAY 2021 WEST INFORMATION C	501.59	501.59
		Voucher:						
93356	7/27/2021	0008153	TIME WARNER CABLE-	0044267052721	5/27/2021	MAY 2021: ACCT# 848 20 899 004	282.24	
		Voucher:		0439993062021	6/20/2021	6/20/21-7/19/21: ACCT# 844830 0	134.99	
				0507757061521	6/15/2021	6/15/21-7/14/21: FOR CITY YARD	25.39	442.62
93357	7/27/2021	0011640	TIREHUB, LLC	21131330	6/21/2021	UNIT#198 GY EAGLE RS POLICE	602.35	602.35
		Voucher:						



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93358	7/27/2021	0009355	T-MOBILE USA, INC.	9452281274	6/21/2021	1/26/21-2/25/21: INVESTIGATIVE :	930.00	930.00
		Voucher:						
93359	7/27/2021	0012095	TURNER SIGNS	4 RETENTION RE	6/8/2021	RETENTION RELEASE: CITY HAL	4,568.76	4,568.76
		Voucher:						
93360	7/27/2021	0012095	TURNER SIGNS	4011-3-F-RI	5/7/2021	RI CK #92792: THRU 4/30/21: THE	3,906.88	3,906.88
		Voucher:						
93361	7/27/2021	00004964	UNDERGROUND SERVICE ALER	1620210194	7/1/2021	UTILITY DIG ALERT TICKETS - 28	473.65	
		Voucher:		DSB20203096	7/1/2021	DIGALERT CHARGES- BILLABLE	197.75	671.40
93362	7/27/2021	0012997	UNITED SITE SERVICES OF, CALI	114-11737606	3/16/2021	2/12/21-3/11/21: UNITED SITE SEI	190.37	
		Voucher:		114-11742837	3/17/2021	3/12/21-4/11/21: UNITED SITE SEI	190.37	
				114-11847156	4/14/2021	4/9/21-5/6/21: UNITED SITE SERV	190.37	
				114-11946035	5/12/2021	5/7/21-6/3/21: UNITED SITE SERV	190.37	
				114-11737589	3/16/2021	3/9/21-4/5/21: UNITED SITE SERV	54.46	
				114-11856191	4/16/2021	4/6/21-5/3/21: UNITED SITE SERV	54.46	
				114-11945194	5/12/2021	5/4/21-5/31/21: UNITED SITE SER	54.46	
				114-12037403	6/8/2021	6/1/21-6/28/21: UNITED SITE SER	54.46	
				114-11737607	3/16/2021	3/4/21-3/31/21: UNITED SITE SER	380.74	
				114-11818348	4/8/2021	4/1/28-4/28/21: UNITED SITE SER	380.74	
				114-11909411	4/30/2021	4/29/21-5/26/21:UNITED SITE SEF	380.74	
				114-12013609	5/28/2021	5/27/21-6/23/21:UNITED SITE SEF	380.74	2,502.28
93363	7/27/2021	00004975	US ARMOR	33630	6/25/2021	VESTS	553.10	553.10
		Voucher:						
93364	7/27/2021	0012679	VECTORUSA	88402	4/27/2021	3/11/21: VECTORUSA WINDOWS	6,120.00	6,120.00
		Voucher:						
93365	7/27/2021	0012679	VECTORUSA	88997	6/28/2021	6/8/21: TROUBLE SHOT AND REF	750.00	750.00
		Voucher:						
93366	7/27/2021	0013117	VERA RAUDALES, LUIS	Ref000287371	6/30/2021	UB REFUND CST #00057410 894	192.55	192.55
		Voucher:						
93367	7/27/2021	00000379	VERIZON BUSINESS	74036004	6/25/2021	BILLING PRD- 05/15/21 -06/14/21	40.00	40.00
		Voucher:						
93368	7/27/2021	00001848	VERIZON WIRELESS	9882464228	6/21/2021	BILLING PRD- 5/22/21-6/21/21 - PI	2,404.75	2,404.75
		Voucher:						
93369	7/27/2021	00003911	VERSATILE INFORMATION PROD	050121043022-9	4/5/2021	5/1/21-4/30/22: ANNUAL SUPPOR	4,080.00	4,080.00
		Voucher:						

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93370	7/27/2021	0011258	VIATRON SYSTEMS, INC.	PJ8094-01	6/7/2021	SERVICES OF SCANNING OF BC	18,152.00	18,152.00
		Voucher:						
93371	7/27/2021	0013102	VIDARTE, EDUARDO	Ref000287344	6/17/2021	UB REFUND CST #00036272 894:	10.00	10.00
		Voucher:						
93372	7/27/2021	0013103	VIDARTE, JUAN	Ref000287345	6/17/2021	UB REFUND CST #00037294 895:	10.00	10.00
		Voucher:						
93373	7/27/2021	0012909	VIDO SAMARZICH, INC	RETENTION	5/24/2021	RELEASE OF RETENTION (311-7	22,423.36	
		Voucher:		02	5/7/2021	3/26/21-4/29/21: CONSTRUCTION	230,435.17	252,858.53
93374	7/27/2021	0012977	VMI INC	303440	6/4/2021	PURCHASE AND INSTALLATION	34,637.26	34,637.26
		Voucher:						
93375	7/27/2021	00002634	VULCAN MATERIALS COMPANY	72977532	6/16/2021	ASPHALT & ENVIRONMENTAL FE	87.05	
		Voucher:		72995070	6/30/2021	ASPHALT & ENVIRONMENTAL FE	180.74	
				72995071	6/30/2021	ASPHALT & ENVIRONMENTAL FE	88.98	
				72972945	6/11/2021	ASPHALT, BASE, EMULSION PRC	336.82	
				72987801	6/25/2021	ASPHALT & ENVIRONMENTAL FE	462.16	
				72987802	6/25/2021	ASPHALT & ENVIRONMENTAL FE	170.82	1,326.57
93376	7/27/2021	00002593	WAXIE'S SANITARY SUPPLY	79956365	4/20/2021	JANITORIAL SUPPLIES	1,576.24	
		Voucher:		79976321	4/28/2021	DISINFECTOR BATTERY REPLAC	232.18	
				80029909	5/20/2021	RE-STOCK DOGGIE BAGS	1,067.00	2,875.42
93377	7/27/2021	0010476	WECK LABORATORIES INC	W1F1215-COSOU	6/18/2021	6/14/21: WATER QUALITY SAMPL	135.00	
		Voucher:		W1G0180-COSOL	7/2/2021	6/28/21: WATER QUALITY SAMPL	135.00	
				W1F1318-COSOU	6/22/2021	6/16/21: WATER QUALITY SAMPL	115.00	
				W1F1767-COSOU	6/29/2021	6/23/21: WATER QUALITY SAMPL	135.00	520.00
93378	7/27/2021	00000482	WEST COAST ARBORISTS, INC.	173858	6/15/2021	6/1/21-6/15-21: AMEND 2-TREE M	12,402.58	12,402.58
		Voucher:						
93379	7/27/2021	00000032	WEST COAST MAILERS	10812	6/23/2021	POSTAGE AND MAIL SERVICE: C	909.50	909.50
		Voucher:						

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
93380	7/27/2021	00000561	WESTERN EXTERMINATOR COM 8313100	6/10/2021	6/30/21: ANNUAL PEST CONTROL	206.00	
	Voucher:		8313960	6/10/2021	6/10/21: ANNUAL PEST CONTROL	42.00	
			8323563	6/2/2021	6/2/21: GOPHER ABATEMENT	1,950.00	
			8317146	6/9/2021	6/9/21: ANNUAL PEST CONTROL	206.50	
			8319509	6/9/2021	6/9/21: ANNUAL PEST CONTROL	56.00	
			8321183	6/10/2021	6/10/21: ANNUAL PEST CONTROL	375.00	
			8313959	6/10/2021	6/10/21: ANNUAL PEST CONTROL	151.50	
			8314289	6/10/2021	6/10/21: ANNUAL PEST CONTROL	211.00	
			8314692	6/10/2021	6/10/21: ANNUAL PEST CONTROL	45.50	3,243.50
93381	7/27/2021	0011968	WEX BANK 72739115	7/6/2021	7/6/21 CLOSING DATE: SHELL GA	858.49	858.49
	Voucher:						
93382	7/27/2021	0012301	WHITTIER FERTILIZER COMPANY 372744	6/28/2021	HOLLYDALE PROJECT - DECOMI	1,190.70	1,190.70
	Voucher:						
93383	7/27/2021	00003442	YOUNGBLOOD & ASSOCIATES, INC 1466A	5/28/2021	PRE- EMPLOYMENT EVALUATIO	350.00	
	Voucher:		1479A	6/14/2021	PRE- EMPLOYMENT EVALUATIO	300.00	650.00
93384	7/27/2021	00000062	ZIEGLER'S HARDWARE & SUPPLY 11945	6/18/2021	MISC HARDWARE	119.56	
	Voucher:		11982	6/29/2021	PVC CAPS FOR POOL COVER RI	13.19	
			11954	6/21/2021	REPAIR DRINKING FOUNTAIN SM	17.61	150.36

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
1672021	5/28/2021	00004266	U.S. BANK CORPORATE PAYMEN				
		0008153	TIME WARNER CABLE-	0490384022721-2	2/27/2021	02/27/21 - 03/26/21 FOR PUBLIC \	146.43
		0008153	TIME WARNER CABLE-	0426602032521	3/25/2021	03/25/21 - 04/24/21 FOR TEEN CE	233.81
		0008153	TIME WARNER CABLE-	0586090032621	3/26/2021	03/26/21 - 04/25/21 FOR CITY HAI	242.35
		0005347	AMAZON.COM	112-8847442-5785	3/22/2021	WEATHER STRIPPING, SILICONE	9.91
		0005347	AMAZON.COM	112-9104109-1681	3/24/2021	DELL KM636 WIRELESS KB & MC	64.32
		0005347	AMAZON.COM	112-6857176-6092	3/23/2021	NETGEAR 5-PORT GIGABIT ETHI	17.63
		0005347	AMAZON.COM	112-5804382-5097	3/31/2021	SAITECH IT 3 PACK USB 2.0 A TC	21.48
		0005347	AMAZON.COM	112-6745655-5920	3/31/2021	MEMORY/POWER SUPPLY FOR	238.60
		0008153	TIME WARNER CABLE-	0426263031421	3/14/2021	03/14/21 - 04/13/21 FOR GOLF SH	5.29
		0008153	TIME WARNER CABLE-	0500034032721-2	3/27/2021	03/27/21 - 04/26/21 FOR SG PARI	233.81
		0007583	USPS	089476	4/6/2021	STAPMS FOR MAILINGS WHILE M	59.00
		0007583	USPS	095569	4/6/2021	STAPMS FOR MAILINGS WHILE M	165.00
		0007583	USPS	078355	4/7/2021	STAPMS FOR MAILINGS WHILE M	63.00
		0008153	TIME WARNER CABLE-	0426628030121	3/1/2021	03/01/21 - 03/29/21 FOR FITNESS	127.12
		0008153	TIME WARNER CABLE-	0426271031421	3/14/2021	03/14/21 - 04/13/21 FOR GIRLS CI	15.86
		0008153	TIME WARNER CABLE-	0586017031821	3/18/2021	03/18/21 - 04/17/21 FOR FIBER LI	601.93
		0008153	TIME WARNER CABLE-	0600966032221	3/22/2021	03/22/21 - 04/21/21 FOR SG PARK	119.99
		0012884	SAVAGE TRAINING GROUP LLC	STG-4378	4/8/2021	TRAINING:RESPONSE TO THE N	258.00
		0012996	GET SAFE	0000044	4/14/2021	TRAINING: CRISIS INTERVENTIC	300.00
		00004804	RIO HONDO COMMUNITY COLLE	S21-100-ZSGT	4/9/2021	TRAINING:BASIC POLICE ACADE	23.83
		0008155	DROPBOX.COM	3/30/2021	3/30/2021	DROPBOX BUSINESS STANDARI	45.00
		0005958	AWWA	7001914818	3/17/2021	REGISTRATION T. BUNGAY D3, C	120.00
		00003955	GALLS/QUARTERMASTER	17678252	2/24/2021	REPLACEMENT OF DAMAGED U	53.98
		0012935	CALIFORNIA ASSOCIATION OF,	M6618	3/23/2021	CULTURAL ARTS CONFERENCE	100.00
		00000268	HOME DEPOT CREDIT SERVICES	9274872	3/24/2021	EASTER FEST SUPPLIES	31.93
		0005293	MICHAELS	053403	4/2/2021	EASTER FEST SUPPIES	7.03
		00000268	HOME DEPOT CREDIT SERVICES	0511741	4/2/2021	EASTER FEST SUPPLIES	33.03
		0005347	AMAZON.COM	112-6483006-8306	4/13/2021	DELL MFS 18 MICRO FF ALL-IN-C	35.45
		0005347	AMAZON.COM	112-7065407-7151	4/19/2021	SAITECH IT 10 PACK 3 FT USB 2.	14.32
		0005347	AMAZON.COM	112-4879792-6735	2/26/2021	ORIGINIAL MOTOROLA IMPRES I	-165.36
		0005347	AMAZON.COM	112-4284644-4118	4/6/2021	SAMSUNG GALAXY S10E CASE	22.04
		0011227	LOGMEIN, INC.	297447587	4/8/2021	GOTOMEETING ONLINE MEETIN	384.00
		0005347	AMAZON.COM	DO1-0233798-142	4/9/2021	AMAZON PRIME RENEWAL	131.20
		0005347	AMAZON.COM	112-7515505-0415	4/13/2021	SIGHTPRO 24 INCH COMPUTER	165.33

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
		0005295	WALMART	064109	3/25/2021	ASUS LAPTOP FOR PARKS COVI	275.63
		0012994	PETCO	019679	3/24/2021	EASTER FEST SUPPLIES	26.99
		0005347	AMAZON.COM	3/25/2021	3/25/2021	EASTER FEST SUPPLIES	20.94
		0005347	AMAZON.COM	039557	3/24/2021	EASTER FEST SUPPLIES	76.89
		0005292	TARGET	090388	3/24/2021	EASTER FEST SUPPLIES	44.10
		0008222	JCL TRAFFIC SERVICES	108453	4/1/2021	BARRICADES FOR CLOSING ARI	789.67
		00001414	OFFICE DEPOT	074162	4/1/2021	OFFICE SUPPLIES FOR COVID-1	220.96
		0005347	AMAZON.COM	111-1418657-4158	4/4/2021	COVID PPE'S GOWNS FOR AQUA	57.32
		0005677	DEPARTMENT OF PESTICIDE RE	35372	3/25/2021	CONTINUED EDUCATION-GROU	320.00
		0011935	PAR WEST TURF SERVICES	138021	4/2/2021	HERBICIDE APPLICATOR TOOL	76.74
		0008222	JCL TRAFFIC SERVICES	108452	4/1/2021	TYPE 1 PLASTIC BARRICADES	789.67
		0005347	AMAZON.COM	114-3319404-0033	3/30/2021	AMAZON-TREES BOOK	49.97
		0005347	AMAZON.COM	114-6442628-2308	3/30/2021	CONTINUED EDUCATION-GROU	39.68
		0012991	ACCUPRODUCTS INTERNATIONAL	152956940	4/12/2021	ACCU-PRODUCTS INTERNATION	301.04
		0005347	AMAZON.COM	111-7772979-4211	4/7/2021	LAPTOP CASES	45.18
		0006530	CA BACKGROUND INVESTIG	525840	3/30/2021	MEMBERSHIP AND DUES: CALIF	60.00
		0010959	RECRUIT MILITARY	21-1290	3/31/2021	ADVERTISING ONE ONLINE POL	270.00
		0012884	SAVAGE TRAINING GROUP LLC	STG-4376	4/7/2021	TRAINING:RESPONSE TO THE N	258.00
		0006423	LOWE'S	18773	3/27/2021	SUPPLIES FOR SOCIAL MEDIA S	92.01
		0009649	AT&T	APRIL-2021	4/20/2021	INTERNET SERVICES AT AZALEA	124.14
		00000268	HOME DEPOT CREDIT SERVICES	4031180	3/29/2021	SUPPLIES FOR SOCIAL MEDIA S	43.93
		0008153	TIME WARNER CABLE-	0435603031421	3/14/2021	03/14/21 - 04/13/21 FOR MARGAF	130.56
		0008153	TIME WARNER CABLE-	0495151030721	3/7/2021	03/07/21 - 04/06/21 FOR SPORTS	129.99
		00002769	PARIS LASER PRINTER REPAIR	27098	8/14/2020	FINANCE HP LASERJET 600 MAIL	459.77
		0012679	VECTORUSA	87858	3/1/2021	CISCO VOIP SERVER HARD DRIV	875.00
		0009027	MONOPRICE INC	87858	2/26/2021	FIBER PATCH CABLES FOR PD F	23.88
		0013099	WERECOVERDATA.COM	467815	4/5/2021	CITY MANAGER JEFFER'S EVALI	95.00
		00003168	ALL AMERICAN TROPHY & ENGR	111527	2/26/2021	EMPLOYEE OF THE YEAR AWAR	606.38
		0009420	SPARKLETTS	16963364 040121	4/1/2021	DS SERVICES STANDARD COFF	27.04
		0012596	ZOOM.US	INV81337282	4/20/2021	ZOOM STANDARD PRO MONTHL	119.92
		0008153	TIME WARNER CABLE-	0490491032721	3/27/2021	3/27/21 - 04/26/21 FOR CIVIC CEI	233.81
		0008153	TIME WARNER CABLE-	0426628033021	3/30/2021	03/30/20 - 04/29/21 FOR FITNESS	127.12
		0011008	HRDIRECT	65400	3/27/2021	EMPLOYEE ARRENDANCE TRAC	60.00
		0005292	TARGET	1067103211798	4/19/2021	CAM & MIC FOR ZOOM	77.16
		00000415	NATIONAL CONSTRUCTION REN	6055372	3/2/2021	NATIONAL CONSTRUCTION REN	850.00

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
		0012596 ZOOM.US	INV77941271	4/2/2021	4/2021-4/2022 CD ANNUAL ZOOM	149.90	
		00003586 AACE-AMERICA ASSOCIATION C	200001549	4/6/2021	AMERICAN ASSOCIATION OF CC	35.00	
		00004313 AT&T	562 602-5215 03/2	3/16/2021	03/16/21-4/15/21 PHONE LINE SE	197.45	
		00002063 CACEO	200016462	4/12/2021	2021 MEMBERSHIP DUES CARD!	200.00	
		0005292 TARGET	9168003493724	4/15/2021	SUPPLIES FOR FAMILY VIOLENC	466.58	
		0005486 STAPLES BUSINESS ADVANTAGE	6928344971	3/23/2021	COVID VACCINATION FLYER	55.43	
		0005295 WALMART	3622116-892047	4/1/2021	OUTDOOR CANOPIES FOR COVI	595.18	13,423.34
16720021	5/28/2021	00004266 U.S. BANK CORPORATE PAYMEN					
		00001414 OFFICE DEPOT	164429897-001	3/31/2002	LENOVO IDEAPAD 3 LAPTOP FO	485.09	485.09
		Voucher:					
48245697	7/1/2021	0008914 AMERICAN EXPRESS					
		00004000 WASTE MANAGEMENT	1249939-2684-7	6/1/2021	JUN 2021: 263-1669: SG RESDTL	323,018.00	323,018.00
		Voucher:					

Sub total for BANK OF THE WEST: 2,153,359.52

182 checks and 3 wire transfers in this report.

Grand Total All Checks and Wire Transfers: 2,153,359.52

**WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2021/22)**

**PART VIb**

apChkLst  
07/20/2021 12:59:54PM

Final Check List  
CITY OF SOUTH GATE

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**Bank : botw BANK OF THE WEST**

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>	
93385	7/27/2021	00004309	AMERIFLEX	INV419564	7/2/2021	JUL 2021: FSA ADMIN FEE FOR 3	194.25	194.25
			Voucher:					
93386	7/27/2021	0012666	GENERAL ALARM SERVICES, INC126672		7/1/2021	JUL 2021: BURGLAR AND FIRE AI	75.00	75.00
			Voucher:					
93387	7/27/2021	00003754	LIEBERT CASSIDY WHITMORE 1520801		5/26/2021	7/1/21-6/30/22: MEMBERSHIP ER	4,615.00	4,615.00
			Voucher:					
93388	7/27/2021	00004469	PD: CALIFORNIA POLICE CHIEFS18102		5/1/2021	THRU 6/30/22: J. TEEPLES - MEM	145.00	145.00
			Voucher:					
93389	7/27/2021	00000586	PD:REGIONAL TRAINING CENTEF53436		3/1/2021	7/26/21-8/9/21: ADVANCED TRAFI	850.00	
			Voucher:	53437	3/1/2027	7/26/21-8/9/21: ADVANCED TRAFI	850.00	1,700.00
93390	7/27/2021	00004717	PETTY CASH- GENERAL FUND - 7/13/21		7/19/2021	7/13/21: PETTY CASH RECEIPTS	255.63	255.63
			Voucher:					
93391	7/27/2021	00004773	RET: ALMANZA, JOSEPH A	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
93392	7/27/2021	0009815	RET: AMEY, ISAAC D	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93393	7/27/2021	0008275	RET: AROCHA, FRANCIS X.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
93394	7/27/2021	00001840	RET: BLASKA, WILLIAM MIKE	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
93395	7/27/2021	00004776	RET: CARTER, LLOYD B	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
93396	7/27/2021	00000495	RET: CHAVEZ, ANTHONY A	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93397	7/27/2021	0006505	RET: CORBET, RONALD	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
93398	7/27/2021	00004777	RET: DAY, ROBERT A	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
93399	7/27/2021	0008746	RET: DELEON, RUBEN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93400	7/27/2021	0011326	RET: GALVAN, RAY A.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93401	7/27/2021	0006508	RET: GOMEZ, JOSEPH C.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					

Bank : botw BANK OF THE WEST (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
93402	7/27/2021	0006509	RET: HAMMOND, DONNA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93403	7/27/2021	0010881	RET: KOOPMANS, WILLIAM O.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93404	7/27/2021	0010410	RET: LEO, FRANK	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93405	7/27/2021	00003833	RET: MOOMEY, STEVEN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	518.00	518.00
			Voucher:					
93406	7/27/2021	00003328	RET: MOSBY, DOROTHEA S	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	200.00	200.00
			Voucher:					
93407	7/27/2021	00003798	RET: RANGEL, ARMANDO	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93408	7/27/2021	00000458	RET: SEWELL, ELAINE	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93409	7/27/2021	00000459	RET: SEWELL, KENNETH R	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
93410	7/27/2021	0012883	SHUSTER ADVISORY GROUP	626	7/1/2021	2ND QTR 2021: RETIREMENT PL	7,500.00	7,500.00
			Voucher:					
93411	7/27/2021	0008153	TIME WARNER CABLE-	0490384062721	6/27/2021	6/27/21-7/26/21: ACCT# 8448 30 0	146.40	146.40
			Voucher:					
93412	7/27/2021	00000028	WATER REPLENISHMENT DISTRICBWM21-0132		6/2/2021	2021-2022: CENTRAL BASIN WAT	15,944.82	15,944.82
			Voucher:					
<b>Sub total for BANK OF THE WEST:</b>							<b>36,428.80</b>	
<b>28 checks in this report.</b>							<b>Grand Total All Checks:</b>	<b>36,428.80</b>



WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2020/21)

PART VIIa

apChkLst  
07/19/2021 12:39:50PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
2097	6/10/2021	00004708 PERS HEALTH PLAN	Ben286106	6/10/2021	JULY 2021 MEDICAL HMO ANTHE	397,928.23	397,928.23
		Voucher:					
						Sub total for BANK OF THE WEST:	397,928.23
1 wire transfer in this report.						Grand Total All Wire Transfers:	397,928.23

**WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2021/22)**

**PART VIIb**

apChkLst  
07/19/2021 12:59:52PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : botw BANK OF THE WEST

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
2117	7/8/2021	00000004	NATIONWIDE RETIREMENT SOLLBen287115	7/8/2021	DEF COMP NATIONWIDE: PAYME	67,973.61	67,973.61
		Voucher:					
2118	7/8/2021	00000343	PUBLIC EMPLOYEES RETIREMENTBen287117	7/8/2021	PERS RETIREMENT: PAYMENT	230,874.26	230,874.26
		Voucher:					
2119	7/8/2021	00001186	EMPLOYMENT DEVELOPMENT DBen287119	7/8/2021	SDI: PAYMENT	54,360.18	54,360.18
		Voucher:					
2120	7/8/2021	00002370	INTERNAL REVENUE SERVICE Ben287121	7/8/2021	MEDICARE: PAYMENT	162,147.51	162,147.51
		Voucher:					
2121	7/8/2021	00004836	SEIU LOCAL 721 CTW CLC-23900Ben287123	7/8/2021	SEIU DUES: PAYMENT	3,136.31	3,136.31
		Voucher:					
2123	7/8/2021	00004996	SEIU-COPE LOCAL 721, LA/OC CIBen287127	7/8/2021	SEIU- COPE LOCAL 721 DEDUCT	39.00	39.00
		Voucher:					
2124	7/8/2021	00004988	CHILD SUPPORT ON-LINE, STATEBen287129	7/8/2021	CHILD SUPPORT-ONLINE: PAYMI	2,195.54	2,195.54
		Voucher:					
<b>Sub total for BANK OF THE WEST:</b>							<b>520,726.41</b>
<b>Grand Total All Wire Transfers:</b>							<b>520,726.41</b>

7 wire transfers in this report.

**WARRANT REGISTER FOR COUNCIL MEETING 7/27/2021 (FY 2021/22)**

**PART VIII**

apChkLst  
07/20/2021 12:59:54PM

Final Check List  
CITY OF SOUTH GATE

Page: 1

Bank : efbotw BANK OF THE WEST EFT

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
860	7/27/2021	0012466	RET: ADAMS, PAUL L.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,299.14	1,299.14
			Voucher:					
861	7/27/2021	0005570	RET: ALONZO, ANTHONY	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
862	7/27/2021	0012843	RET: AUSTIN A., BYRON	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	776.88	776.88
			Voucher:					
863	7/27/2021	0005813	RET: AVILA, VINCENT	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,196.68	1,196.68
			Voucher:					
864	7/27/2021	0012982	RET: BONILLA CLAYTON, YADIRA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	
			Voucher:					
				JUNE 2021- ADJ	7/13/2021	JUNE 2021- RETIREE MEDICAL II	150.00	300.00
865	7/27/2021	00001265	RET: BRASSFIELD, CHARLES R	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
866	7/27/2021	0006324	RET: BURBACH, MAUREEN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
867	7/27/2021	0012844	RET: CAMACHO, EDWARD	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
868	7/27/2021	00000817	RET: CHRIST, DOUGLAS F	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
869	7/27/2021	00003408	RET: DAMRON, ROGER V	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
870	7/27/2021	00001776	RET: EADE, JOANN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	181.48	181.48
			Voucher:					
871	7/27/2021	00003973	RET: EADS, KENNETH P.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	990.16	990.16
			Voucher:					
872	7/27/2021	00003853	RET: FANNIN, ZONA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
873	7/27/2021	0008820	RET: FERNANDEZ, CARLOS	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
874	7/27/2021	00004403	RET: FIELD, GARY	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
875	7/27/2021	0006507	RET: FIGUEROA, GLORIA A.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
876	7/27/2021	00000605	RET: FORRESTER, BOB L	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					

Bank : efbotw BANK OF THE WEST EFT (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
877	7/27/2021	0005355	RET: GALBREATH, RUSSELL	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	968.20	968.20
			Voucher:					
878	7/27/2021	0011186	RET: GAMBOA, OSCAR	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
879	7/27/2021	00000496	RET: GEORGE, RONALD P	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
880	7/27/2021	00003940	RET: GONZALEZ, HIRAM	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
881	7/27/2021	0006328	RET: GUTIERREZ, MANUEL	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
882	7/27/2021	0006510	RET: HERNANDEZ, MARIA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
883	7/27/2021	0008059	RET: HILL, GARY	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
884	7/27/2021	0006329	RET: HOMSHER, HUGH	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
885	7/27/2021	0012845	RET: HUGAR L., JAMES	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
886	7/27/2021	00004784	RET: HUNTRODS, RICHARD F	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	239.00	239.00
			Voucher:					
887	7/27/2021	0009521	RET: HUPP, KEITH	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
888	7/27/2021	0008058	RET: INMAN, RONALD	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
889	7/27/2021	00004785	RET: IRISH, TERRY F	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
890	7/27/2021	0011110	RET: JOHNSON, GERALD	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
891	7/27/2021	00004787	RET: KENNEDY, GARY E	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
892	7/27/2021	0005356	RET: KEY, ANDREW	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
893	7/27/2021	0011111	RET: KOOMEN, SHERI L.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					

Bank : efbotw BANK OF THE WEST EFT (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
894	7/27/2021	0009946	RET: LEFEVER, STEVEN A.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	200.00	200.00
			Voucher:					
895	7/27/2021	00004789	RET: LILLEY, RAYMOND E	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
896	7/27/2021	0012707	RET: LLOYD, BRUCE W.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
897	7/27/2021	0012927	RET: LONG, PENG	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
898	7/27/2021	0005633	RET: LOPEZ, ALFONSO	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	590.37	590.37
			Voucher:					
899	7/27/2021	0006511	RET: LOPEZ, RAMON A.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
900	7/27/2021	0009453	RET: LOPEZ, VERONICA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
901	7/27/2021	0007656	RET: MATSUKIYO, DAVID	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,135.20	1,135.20
			Voucher:					
902	7/27/2021	0011895	RET: MUNOZ, ALFREDO	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
903	7/27/2021	00003239	RET: NASSAR, SAMI R	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	200.00	200.00
			Voucher:					
904	7/27/2021	0012468	RET: ORTIZ, JULIAN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	526.84	526.84
			Voucher:					
905	7/27/2021	0012467	RET: PATINO, IGNACIO M.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
906	7/27/2021	0011522	RET: PELLERIN, ROBERT	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
907	7/27/2021	00005237	RET: PEREZ, SUSAN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					
908	7/27/2021	0010733	RET: PIXLER, DAVID	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
			Voucher:					
909	7/27/2021	00004794	RET: POWELL, ROBERT K.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
			Voucher:					
910	7/27/2021	0006326	RET: RAMIREZ, VIRGINIA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
			Voucher:					

Bank : efbotw BANK OF THE WEST EFT (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
911	7/27/2021	0006327	RET: RASCO, ANGELA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
912	7/27/2021	00003630	RET: REGALADO, MARY	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
913	7/27/2021	0011967	RET: RIVERA, FRANK J.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	526.77	526.77
		Voucher:						
914	7/27/2021	0011978	RET: RIVERA, HANNAH TELLEZ-CJ	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	526.77	526.77
		Voucher:						
915	7/27/2021	0012837	RET: RODRIGUEZ, ANNA	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
916	7/27/2021	0012682	RET: RUIZ, NELLIE	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
917	7/27/2021	0011112	RET: SALDIVAR, MARIO M.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
		Voucher:						
918	7/27/2021	00001867	RET: SCHMID, BEATRICE J	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
919	7/27/2021	0009865	RET: SCHRADER, GEORGE R.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,131.00	1,131.00
		Voucher:						
920	7/27/2021	0011521	RET: SCOTT, DAVID	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
		Voucher:						
921	7/27/2021	0006513	RET: SHETTER, RANDOLPH M.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
922	7/27/2021	00000869	RET: SMITH, CHARLES R	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
		Voucher:						
923	7/27/2021	00004796	RET: SPEELMAN, PATRICIA L	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
		Voucher:						
924	7/27/2021	00002147	RET: SPROWLS, KENNETH C	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
		Voucher:						
925	7/27/2021	0008313	RET: SULLIVAN, DARREN	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,242.35	1,242.35
		Voucher:						
926	7/27/2021	0006512	RET: TATTI, WILLIAM P.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						
927	7/27/2021	0012960	RET: TAYLOR, TOM C.	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
		Voucher:						

Bank : efbotw BANK OF THE WEST EFT (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
928	7/27/2021	0005357 RET: TODD, ROBERT M. Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,196.68	1,196.68
929	7/27/2021	0012959 RET: TREJO, RAMONA M Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
930	7/27/2021	00003573 RET: VAN LIEROP, MARTIN G Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	206.97	206.97
931	7/27/2021	00003959 RET: WADE, RICHARD Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	238.25	238.25
932	7/27/2021	0007655 RET: WELLS, GREGORY Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	526.84	526.84
933	7/27/2021	00004379 RET: WHALEN, HARVEY Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	150.00	150.00
934	7/27/2021	00000498 RET: WILLIAMS, GALE M Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	250.00	250.00
935	7/27/2021	0008821 RET: WILLIAMS, TIMOTHY Voucher:	JULY 2021	7/13/2021	JULY 2021- RETIREE MEDICAL IN	1,196.54	1,196.54
<b>Sub total for BANK OF THE WEST EFT:</b>							<b>41,181.37</b>

76 EFTs in this report.

**Grand Total All EFTs: 41,181.37**

**WARRANT REGISTER SUMMARY  
CITY COUNCIL MEETING OF 7/27/2021**

TOTAL PART I - PAYROLL-RELATED CHECKS (FY 2021/22)	53,389.67
TOTAL PART II - PREPAID CHECKS (7/7/2021, FY 2020/21)	117,015.13
TOTAL PART III - PREPAID CHECKS (7/8/2021, FY 2020/21)	9,460.00
TOTAL PART IV - PREPAID CHECK (7/8/2021, FY 2020/21)	2,500.00
TOTAL PART V - PREPAID CHECKS (7/14/2021, FY 2020/21)	273,590.32
TOTAL PART VIa - ACCOUNTS PAYABLE CHECKS & WIRE TRANSFERS (FY 2020/21)	2,153,359.52
TOTAL PART VIb - ACCOUNTS PAYABLE CHECKS (FY 2021/22)	36,428.80
TOTAL PART VIIa - PAYROLL-RELATED WIRE TRANSFER (FY 2020/21)	397,928.23
TOTAL PART VIIb - PAYROLL-RELATED WIRE TRANSFERS (FY 2021/22)	520,726.41
TOTAL PART VIII - ACCOUNTS PAYABLE EFTs (FY 2021/22)	41,181.37
	<hr/>
SUB - TOTAL	3,605,579.45
LESS: VOIDS (FY 2020/2021)	(4,406.88)
LESS: EMPLOYEE PAYROLL DEDUCTIONS (FY 2020/21)	(5,086.19)
LESS: EMPLOYEE PAYROLL DEDUCTIONS (FY 2021/22)	(341,052.08)
	<hr/>
GRAND TOTAL	3,255,034.30
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