



Tuesday, January 14, 2014

**ROLL CALL:**

Brent A. Tercero, Mayor  
Bob J. Archuleta, Councilmember  
David W. Armenta, Councilmember  
Gustavo V. Camacho, Councilmember  
Gregory Salcido, Councilmember

Regular Session 6:00 p.m.  
Council Chamber  
6615 Passons Blvd.  
Next Resolution No. 6746  
Next Ordinance No. 1082  
Next Agreement No. 14-1449

**COMMISSIONERS SCHEDULED TO BE PRESENT:**

None appointed as of January 14, 2014.

**INVOCATION:**

(In accordance with the Court's Decision in Rubin v. City of Burbank, only nonsectarian prayers/invocations are allowed during the invocation)

**PLEDGE OF ALLEGIANCE:**

**SPECIAL PRESENTATIONS:**

- Certificate of Recognition presented to Dan Miller of Barney's Café for years of Service to Community

<p><b>PLEASE TURN OFF ALL PAGERS AND/OR PHONES WHILE MEETING IS IN SESSION AND PLEASE REFRAIN FROM TEXTING DURING THE MEETING</b></p>
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In compliance with the Americans with Disabilities Act of 1990, the City of Pico Rivera is committed to providing reasonable accommodations for a person with a disability. Please call the City Clerk's office at (562) 801-4389, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

**PUBLIC HEARING(S):**

1. **Public Hearing – An Ordinance of the City of Pico Rivera Amending Chapter 18 (Zoning) of the City of Pico Rivera Municipal Code Pertaining to the Regulations for Residential Driveway Expansions, Walkways and Porte-Cocheres.** (1300)
  - a. Open Hearing
  - b. Memo from City Manager
  - c. Written Communications
  - d. Oral Communications
  - e. Close Hearing
  - f. **Recommendation:**
    1. Adopt Resolution approving Zone Code Amendment No. 165; and
    2. First reading and Introduction of Ordinance amending Title 18, Zoning, of the City of Pico Rivera Municipal Code.

Resolution No. \_\_\_\_\_ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING AN AMENDMENT TO TITLE 18 OF THE PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATION OF RESIDENTIAL DRIVEWAY EXPANSIONS, PORTE-COCHERES AND WALKWAYS HEREIN KNOWN AS ZONE CODE AMENDMENT NO. 165

Ordinance No. \_\_\_\_\_ AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING ZONE CODE AMENDMENT NO. 165 AMENDING TITLE 18 (ZONING) OF THE PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATION OF PORTE-COCHERES, DRIVEWAY EXPANSIONS, WALKWAYS AND LOT COVERAGE (FIRST READING AND INTRODUCTION)

**1<sup>st</sup> PERIOD OF PUBLIC COMMENTS - IF YOU WOULD LIKE TO SPEAK ON ANY LISTED AGENDA ITEMS, PLEASE FILL OUT A GREEN PUBLIC COMMENT REQUEST FORM AND PROVIDE IT TO THE STAFF MEMBER AT THE BACK TABLE BEFORE THE MEETING STARTS.**

When you are called to speak, please come forward and state your name and city of residency for the record. You have three (3) minutes to make your remarks. In accordance with Government Code Section 54954.2, members of the City Council may only: 1) respond briefly to statements made or questions posed by the public; 2) ask a question for clarification; 3) provide a reference to staff or other resources for factual information; 4) request staff to report to the City Council at a subsequent meeting

concerning any matter raised by the public; and 5) direct staff to place a matter of business on a future agenda. City Council members cannot comment on items that are not listed on a posted agenda.

**CONSENT CALENDAR ITEMS:**

All items listed on the Consent Calendar may be acted on by a single motion without separate discussion. Any motion relating to a Resolution or Ordinance shall also waive the reading of the titles in full and include its adoption as appropriate. If discussion or separate vote on any item is desired by a Councilmember or staff, that item may be pulled from the Consent Calendar for separate consideration.

**2. Minutes:**

- City Council meeting of December 10, 2013

**Recommendation:** Approve

**3. 10<sup>th</sup> Warrant Register of the 2013-2014 Fiscal Year. (700)**

Check Numbers: 259764-260226

Special Checks Numbers: None

**Recommendation:** Approve

**4. Law Enforcement Services Agreement. (500)**

**Recommendation:**

1. Staff recommends the City Council approve the Agreement with the Los Angeles County Sheriff's Department for law enforcement services for a five year period beginning July 1, 2014 through June 30, 2019.

Agreement No. \_\_\_\_\_

**5. Mayoral Appointments. (100)**

**Recommendation:**

1. Confirm the Mayor's appointments to various Boards, Agencies and Committees.

**6. Installation of Traffic Control Devices – Congestion Relief and Traffic Safety. (1400)**

**Recommendation:**

1. Receive and file.

7. **Smith Park and Rio Vista Park Renovation Projects – Amendment No. 5 to Professional Services Agreement No. 09-1131 – Construction Support Services.** (500)  
**Recommendation:**

1. Approve Amendment No. 5 to Professional Services Agreement No. 09-1131 with Hirsch & Associates, Inc. (HAI) for additional construction support services for an amount not to exceed \$100,780 and authorize the Mayor to execute Amendment No. 5 in a form approved by the City Attorney.

Agreement No. 09-1131-5

8. **Telegraph Road Landscape Median Improvements, CIP No. 21232 – Notice of Completion and Approval of Contract Change Orders.** (500)  
**Recommendation:**

1. Accept as complete, effective September 27, 2013, work performed by All American Asphalt on the Telegraph Road Landscape Median Improvements Project, CIP No. 21232, and instruct the City Clerk to file the Notice of Completion with the Los Angeles County Recorder;
2. Authorize the City Manager to approve contract change orders in the total amount of \$287,841 to pay for additional work performed on the project; and
3. Appropriate \$34,520 in Measure R funds to the Entrance Monuments Replacement Project, CIP No. 21255, as these funds have been approved by Metro for said project.

9. **Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2013; Appropriations Limit Calculation and Audit Letters for Fiscal Year Ending June 30, 2013.** (700)  
**Recommendation:**

- a. Receive and file:
  1. The Comprehensive Annual Financial Report for fiscal year ending June 30, 2013;
  2. The Appropriations Limit Calculation for fiscal year ending June 30, 2013;
  3. The Government Auditing Standards letter for fiscal year ending June 30, 2013; and
  4. The Audit Committee Letter for fiscal year ending June 30, 2013.

**CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:**

**LEGISLATION:**

**10. Selection of Executive Recruitment Firm for City Manager Position. (200)**

**Recommendation:**

1. The Mayor recommends that the City Council select Bob Murray and Associates or Teri Black & Company to conduct the recruitment for the city manager position.

**11. City Council Reorganization.**

- a. Mayor calls for nominations for the Office of Mayor Pro Tempore of Pico Rivera.

**NEW BUSINESS:**

**OLD BUSINESS:**

**2<sup>ND</sup> PERIOD OF PUBLIC COMMENTS - THIS TIME IS RESERVED FOR COMMENTS THAT HAVE NOT BEEN ADDRESSED ALREADY OR THAT ARE NOT LISTED ON THE AGENDA. PLEASE FILL OUT A BLUE PUBLIC COMMENT REQUEST FORM AND PROVIDE IT TO THE STAFF MEMBER AT THE BACK TABLE BEFORE THE MEETING STARTS.**

When you are called to speak, please come forward and state your name and city of residency for the record. You have three (3) minutes to make your remarks.

**ADJOURNMENT:**

**AFFIDAVIT OF POSTING**

I, Anna M. Jerome, City Clerk, for the City of Pico Rivera, DO HEREBY CERTIFY, under penalty of perjury under the laws of the State of California, that the foregoing notice was posted at the Pico Rivera City Hall bulletin board, Pico Rivera website, Pico Rivera Post Office and Parks: Smith, Pico and Rivera and full agenda packets distributed to the Pico Rivera County Libraries, which are available for the public to view on this 10<sup>th</sup> day of January 2014.

Dated this 10<sup>th</sup>, day of January 2014

  
Anna M. Jerome, CMC  
City Clerk

**SB343 NOTICE**

In compliance with and pursuant to the provisions of SB343 any public writing distributed by the City Clerk to at least a majority of the City Council Members regarding any item on this regular meeting agenda will be available on the back table at the entrance of the Council Chamber at the time of the City Council meeting and at the counter of City Hall at 6615 Passons Boulevard, Pico Rivera, California during normal business hours.



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** PUBLIC HEARING – AN ORDINANCE OF THE CITY OF PICO RIVERA AMENDING CHAPTER 18 (ZONING) OF THE CITY OF PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATIONS FOR RESIDENTIAL DRIVEWAY EXPANSIONS, WALKWAYS AND PORTE-COCHERES

**Recommendations:**

1. Adopt Resolution approving Zone Code Amendment No. 165; and
2. First reading and Introduction of Ordinance amending Title 18, *Zoning*, of the City of Pico Rivera Municipal Code.

**Fiscal Impact:** No impact.

**Discussion:**

On February 12, 2013, an ordinance amending Title 18, *Zoning*, of the Pico Rivera Municipal Code was introduced pertaining to the regulations for driveway expansions, walkways and porte-cocheres. This ordinance would provide residents with flexibility in expanding their driveways, installing new walkways, and would also permit the construction of porte-cocheres, or shade structures on driveways, subject to certain design and setback regulations.

The Council agreed with the proposed regulations for driveway expansions and walkways, but directed staff to conduct further research on the shade structure regulations to accommodate flexibility for larger-sized lots. A revised ordinance was then presented to the City Council at the March 26, 2013 meeting but this ordinance, which only allowed lots larger than 15,000 square feet to construct shade structures which project up to 20' from the front building line of the residence, was also rejected. The Council directed staff to return with an ordinance which incorporated a scaled

approach to allow shade structures to project from the front building line of the residence for all properties, no matter the size of the lot.

On October 14, 2013 a revised ordinance which met Council direction was presented to the Planning Commission and discussed in detail. On December 2, 2013 such ordinance was formally presented to the Planning Commission for their consideration, but was ultimately rejected. The Planning Commission unanimously voted to recommend an alternate ordinance which, with the exception of two minor instances, does not allow shade structures to project from the front building line of the residence. The two minor exceptions would allow a projection of up to six feet from the front building line of the residence for properties where either: (1) the shade structure is attached to a front porch and such front porch encroaches not more than six feet into the front-yard setback, or (2) the residence contains an attached garage which, due to its location, does not allow the construction of a full-length shade structure adjacent to the home.

The Planning Commission reasoned that allowing a porte-cochere to project from the front building line of a residence would not meet the intent of a 'porte-cochere' in that such structures are intended to be roof extensions from the entrance of a residence over an adjacent driveway to provide shelter for those getting in or out of vehicles. By allowing structures to project so far beyond the building line of the residence, the Commission felt that the result would be the construction of unappealing, tunnel-like structures which will negatively impact the building uniformity of the City's neighborhoods. The Commission also stated that minor projections are justifiable only for lots with development limitations, and that such limitations are generally not applicable to large-sized lots.



Ronald Bates  
City Manager

RB:BM:GA:ll

Attachments:

- 1.) Resolution adopting Zone Code Amendment No. 165
- 2.) Ordinance (Recommended by the Planning Commission)
- 3.) Ordinance (Rejected by Planning Commission)
- 4.) Minutes of the December 2, 2013 Planning Commission meeting
- 5.) Resolution No. 1210 – Planning Commission Recommendation to City Council

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING AN AMENDMENT TO TITLE 18 OF THE PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATION OF RESIDENTIAL DRIVEWAY EXPANSIONS, PORTE-COCHERES AND WALKWAYS HEREIN KNOWN AS ZONE CODE AMENDMENT NO. 165**

**THE CITY COUNCIL OF THE CITY OF PICO RIVERA HEREBY RESOLVES AS FOLLOWS:**

**WHEREAS**, existing Zoning Code, Ordinance No. 534, was adopted on April 1, 1975;  
and

**WHEREAS**, the Planning Commission of the City of Pico Rivera conducted a public hearing to amend Title 18 of the Pico Rivera Municipal Code at a legally noticed public hearing held on December 2, 2013; and

**WHEREAS**, the Planning Commission Adopted Resolution No. 1202 recommending approval to the City Council for Zone Code Amendment No. 165; and

**WHEREAS**, the City Council of the City of Pico Rivera conducted a public hearing to amend Title 18 of the Pico Rivera Municipal Code at a legally noticed public hearing held on January 14, 2014; and

**NOW, THEREFORE**, be it resolved by the City Council of the City of Pico Rivera that:

**SECTION 1.** Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the Planning Commission finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 2.** The City Council hereby FINDS that the approval of said amendment to the Municipal Code will not be detrimental to the health, safety and welfare of the general public and recommends that the City Council concur with the determination that the amendment will not have a significant effect on the environment pursuant to Section 15061 (b)(3).

**SECTION 3.** Pursuant to Chapter 18.62, Article II of the Pico Rivera Municipal Code, the Planning Commission of the City of Pico Rivera hereby recommends to the City Council of the City of Pico Rivera, the approval of an Ordinance amending Title 18 of the Pico Rivera Municipal Code, modifying Chapters 18.42 and 18.44 as specifically described in draft ordinance designated herein as Attachment "A" made a part hereof and further designated as Zone Code Amendment No. 165.

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

**Page 2 of 2**

**SECTION 4.** The City Council finds that the amendment to Title 18 of the Pico Rivera Municipal Code shall be approved for the following reasons and findings:

- a) The majority of the City's single-family housing stock was constructed prior to 1960 and at such time only a single-car garage was required. Due to changing demographics and lifestyle trends, most households no longer have a single-driver and are in need of additional parking amenities.
- b) That there is a vital need to adapt to the changing household driving trends by amending current regulations to provide additional options to accommodate for additional off-street parking and loading.
- c) That the proposed Amendment will provide a means by which the quality of life can be protected in compliance with Objective A.1.2 of the City's General Plan. The new provisions allowing porte-cocheres will ensure that residents have the option to construct a well-designed covered area to allow for convenient loading and off-loading from their vehicles and into their residence. The new provisions will also provide additional options for residential driveway expansions to accommodate for the demographics' growing parking needs.
- d) That the proposed Amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.42 and 18.44 pertaining to the property development and off-street parking regulations.

**APPROVED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2014 by members of the Planning Commission of the City of Pico Rivera, voting as follows:

\_\_\_\_\_  
Brent A. Tercero, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Anna M. Jerome, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING ZONE CODE AMENDMENT NO. 165 AMENDING TITLE 18 (ZONING) OF THE PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATION OF PORTE-COCHERES, DRIVEWAY EXPANSIONS, WALKWAYS AND LOT COVERAGE**

**THE CITY COUNCIL OF THE CITY OF PICO RIVERA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The official Zoning Ordinance of the City of Pico Rivera is hereby amended as provided in this Ordinance pursuant to public hearings both before the Planning Commission and City Council.

**SECTION 2.** Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the City Council finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 3.** The City Council finds that the amendment to the Zoning Code is consistent with the General Plan.

**SECTION 4.** The City Council further finds that the proposed amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.42 and 18.44.

**SECTION 5.** Table 18.44.040 (A) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal code is hereby amended as follows:

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**Table 18.44.040  
OFF-STREET PARKING AND LOADING**

	<i>Land Use</i>	<i>R-E, S-F, R-I, and PUD Zones</i>	<i>R-M Zone</i>
<b>A.</b>	<b><i>Residential Uses</i></b>	<b><i>Parking Spaces and/or Facilities Required</i></b>	<b><i>Parking Spaces and/or Facilities Required</i></b>
1.	<i>Single-family dwelling units, duplexes and garage conversions.</i>	<i>Two parking spaces in a garage for each dwelling unit with the exception of nonconforming dwellings requiring compliance to Section 18.54.060.</i>	
	<i>a. Guesthouse</i>	<i>One garage or carport attached to the guesthouse.</i>	
2.	<i>Multiple-family dwelling units</i>	<i>Two parking spaces in a garage or carport for each dwelling unit</i>	
	<i>a. Apartment developments containing eight or more dwelling units</i>		<i>One open guest parking space that shall be provided for each eight dwelling units or fraction thereof</i>
	<i>b. Rooming houses and boarding-houses, and other similar such uses having guestrooms</i>		<i>Two parking spaces in a garage or carport for each three guestrooms. In dormitories, each 100 square feet of habitable floor area shall be considered equivalent to one guestroom.</i>
3.	<i>Other uses permitted in residential zones</i>		
	<i>a. Child care centers, day nurseries and such other similar uses</i>	<i>One open parking space for each 300 square feet of net building floor area, or for each 10 children the facility is designed and/or licensed for, whichever is greater.</i>	
	<i>b. Religious places of worship</i>	<i>One open parking space for each four fixed seats or for each 40 square feet of floor area used for seating purposes and educational classrooms, whichever provides the greater number of parking places. No additional parking required for classrooms solely dedicated to the instruction of children under the age of 18. Adequate instructor parking to be provided.</i>	

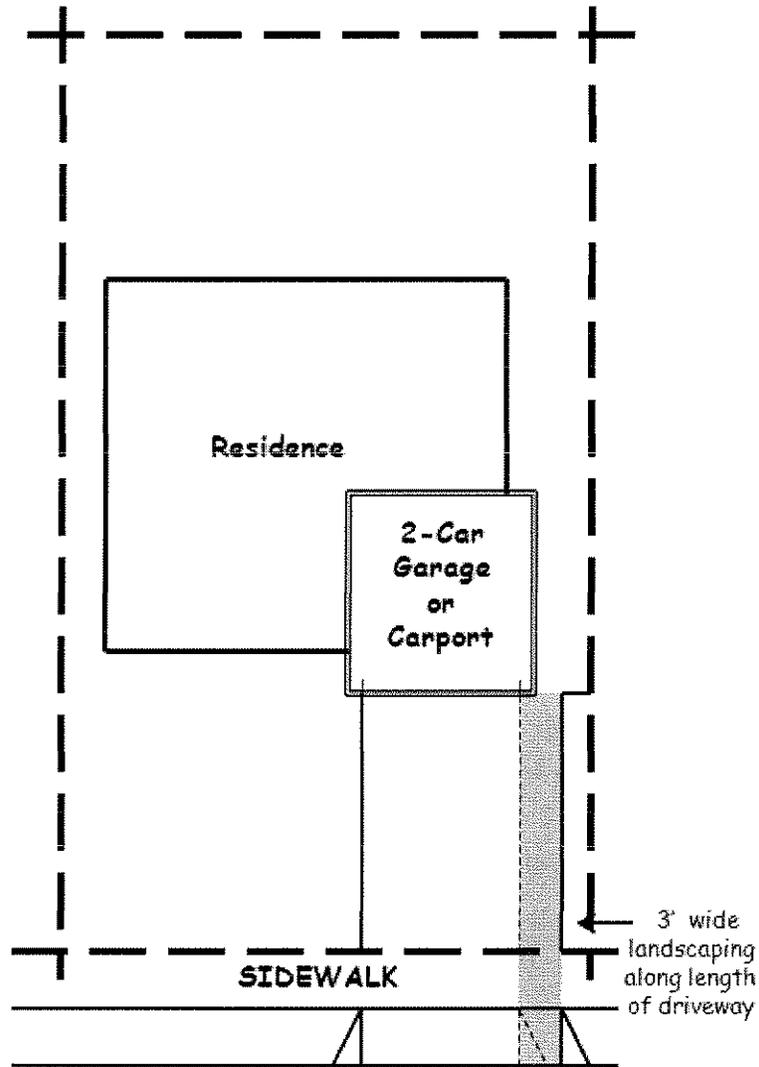
	<i>c. Convalescent, nursing and/or resthomes</i>	<i>One open parking space for each two beds and/or residents for which the facility's capacity is licensed</i>	
	<i>d. Mobilehome parks</i>		<i>Two open parking spaces on each mobilehome site, and one open guest parking space for each four mobilehome sites</i>
	<i>e. Senior citizen housing</i>		<i>One parking space for each three dwelling units</i>
4.	<i>Other applicable regulations governing off-street parking requirements</i>	<i>(1, 2-a, 3, 4-10, 18, 19, 20, 23, 24, 25, 26, 27)</i>	<i>(1, 2-a, 3,4, 6-10, 12-20, 23)</i>

**SECTION 6.** Note 2 (a)(iii) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*(iii)* Existing driveways located within the front yard setback or side yard setback of a corner lot may be expanded beyond the width of a garage or carport, subject to the following conditions: provided that the expansion not exceed a total of nine feet in width and none of the nine feet shall be located in front of the dwelling. The driveway approach shall be widened to match the driveway expansion width. Landscape screening shall also be provided between the driveway expansion and the side or rear property lines, as determined by the zoning administrator. Construction of a six-foot high block wall reduced to forty-two inches in the front setback area shall also be provided for the entire length of the driveway expansion. The driveway may also be expanded between the garage or carport and the adjoining property line or structures provided that the distance is no less than seven and one-half feet. The maximum driveway width expansion shall not exceed twelve feet. In no case shall the driveway expansion exceed twenty feet in depth from the dwelling and/or attached garage or carport, such driveway expansion requires a six-foot high solid gate to conceal visibility from the public right-of-way. Expansion of a driveway that does not lead to a garage or carport is prohibited except as permitted in Section 18.54.060 of this title. Walkways adjoining a driveway shall not exceed six feet in width and not project more than six feet into the front yard setback area except as permitted by Section 18.42.050B(27) of this title.

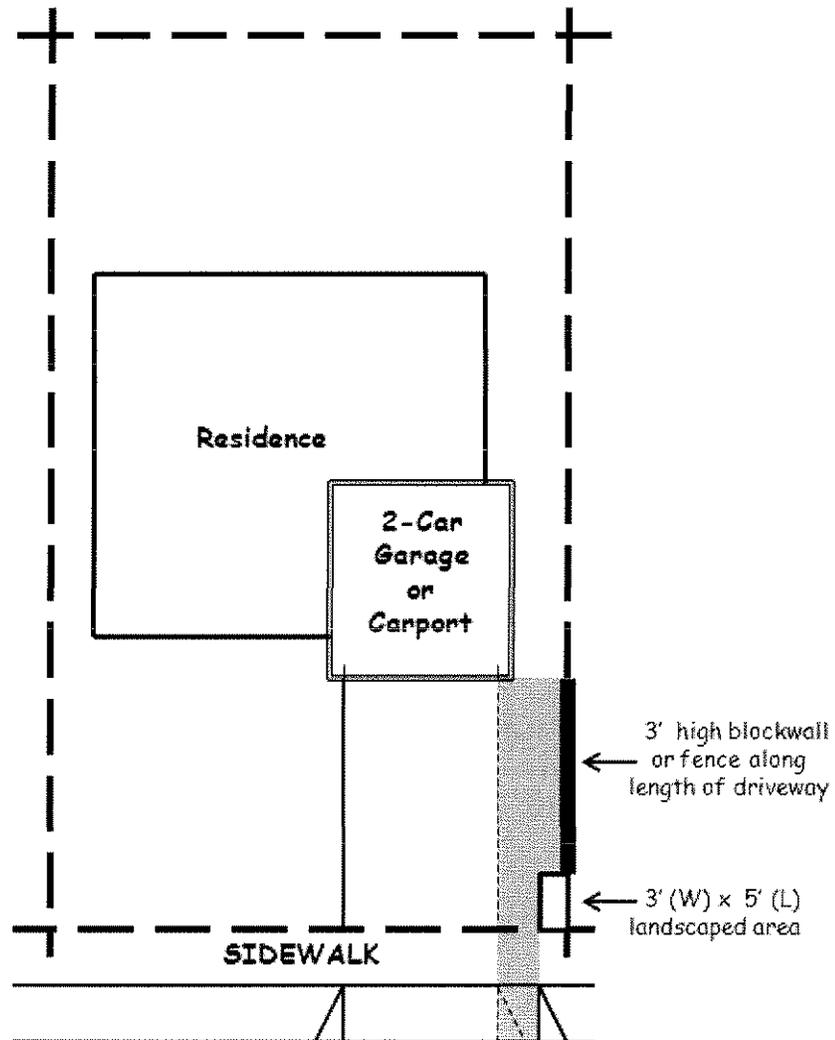
1) The driveway may be expanded between the garage or carport towards the adjoining property line provided that the driveway is separated from the side property line by a landscaped area not less than three feet in width as shown in Figure A, or;

FIGURE A



2) The driveway may be expanded between the garage or carport up to the adjoining property line provided that a minimum three-foot high blockwall, wrought iron fence, solid wooden fence or vinyl fence is installed at the property line along the entire length of the driveway. Chain link fencing, chicken wire, picket fencing, lattice and other non-decorative fencing materials are not acceptable. A three-foot wide by five-foot long landscaped planter shall also be installed at the base of the driveway adjacent to the side property line and sidewalk/street, as shown in Figure B, and;

FIGURE B



3) The driveway approach shall be widened to match the width of the driveway, in compliance with the Department of Public Works' standards and subject to necessary permits and issuance fees. Permits for improvements within the public right-of-way will only be issued to appropriately licensed and insured individuals pursuant to Chapter 12.08 of this code. Accessibility design compliance, topographic feature relocations and an engineering analysis may also be required as a condition of approval, as determined by the City Engineer, at the expense of the property owner, and;

4) Driveways, driveway expansions and driveway approaches shall not consist of asphaltic materials, stepping stones, gravel, small stones or mulch, and;

- 5) Driveways serving side loading garages shall maintain a minimum inside turning radius of 15'; and,
- 6) Expansion of a driveway that does not lead to a garage or carport is prohibited except as permitted in Section 18.54.060 of this title; and,
- 7) Walkways adjoining a driveway shall be subject to Section 18.42.050B(27) of this title, and;
- 8) In addition to provisions in Section 18.44.050 (B)(Note 2)(a)(iii)(1-7), non-conforming single-family dwellings with a legally permitted attached one-car garage or carport may expand the driveway to a maximum width of eighteen feet provided that not more than four feet of the width of the driveway is located within the frontage of the residence as shown in Figure C. Side-loading one-car garages and carports may also expand the driveway to a maximum width of eighteen feet provided that a minimum interior turning radius of 15' is provided,, as shown in Figure D. Corner lots containing a one-car garage or carport may expand the driveway to a maximum width of eighteen feet provided that no portion of the driveway nor the approach is located between the points of curvature as shown in Figure E.

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FIGURE C

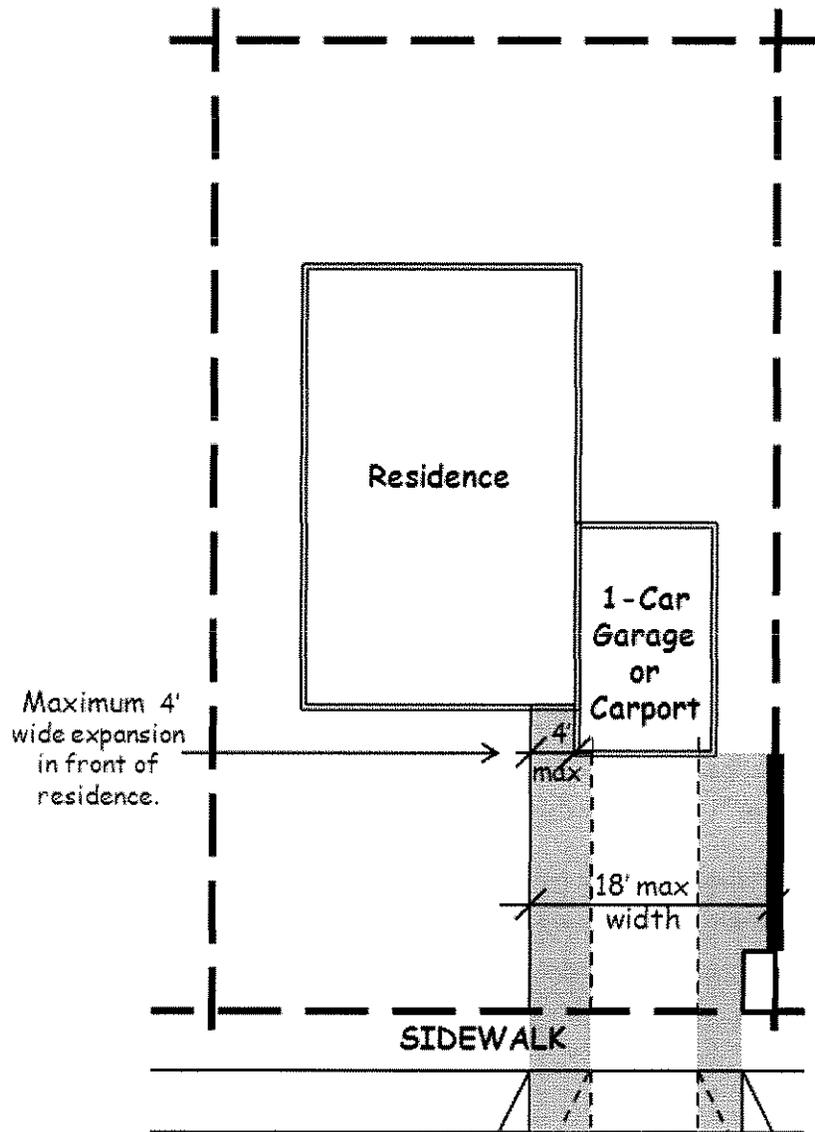


FIGURE D

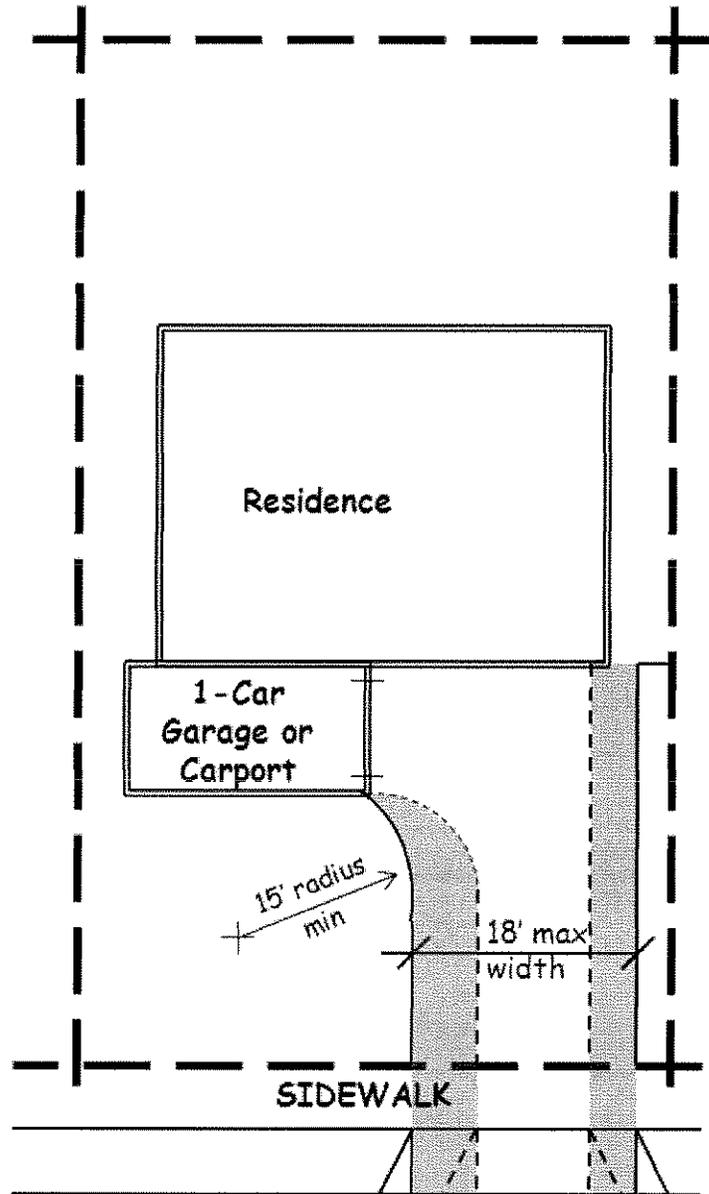
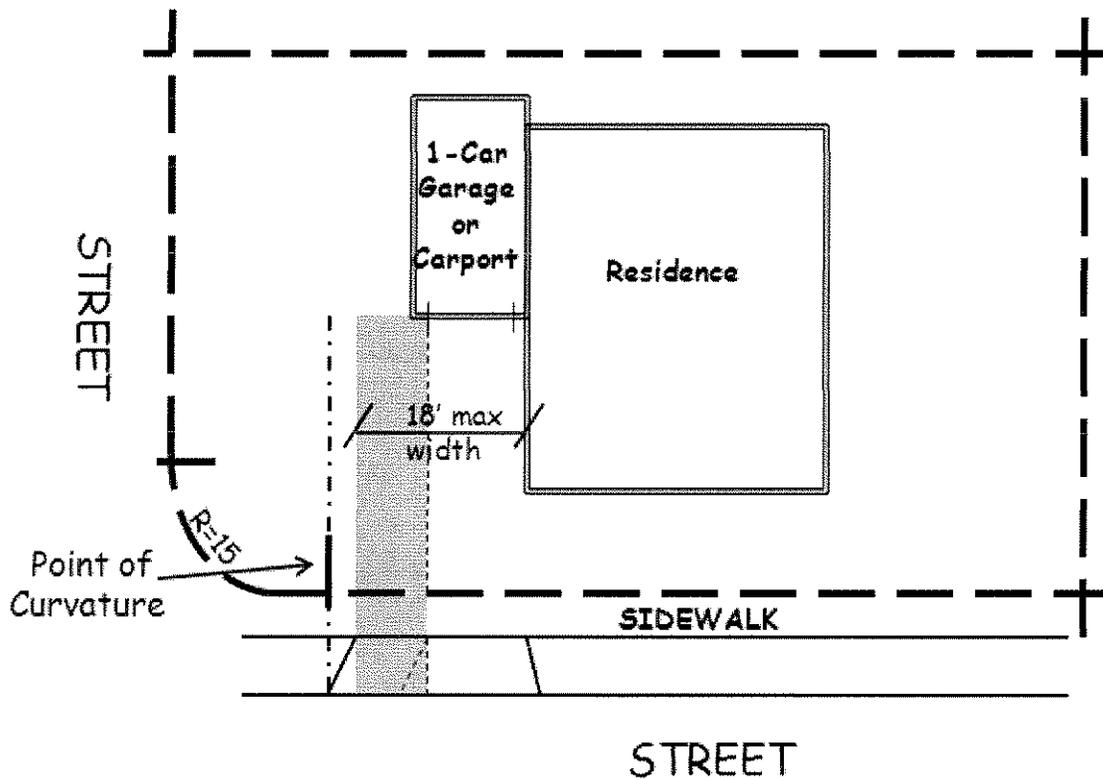


FIGURE E



**SECTION 7.** Note 9 (a)(ii) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

- (ii) *All driveways shall be unencumbered from the pavement upward, with the exception of legally permitted porte-cocheres.*

**SECTION 8.** Note 27 of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*Note 27. Driveway widths cannot be expanded beyond the width of the garage. Porte-cocheres shall be subject to the following conditions:*

1. Porte-cocheres must be placed over a driveway which leads to a permitted garage or carport.
2. Porte-cocheres must be attached to the residence as follows:
  - a. A porte-cochere must be fully attached to the side of the residence. The porte-cochere may not project beyond the adjacent front porch, as shown in Figure F, or the adjacent street-facing residential building wall, as shown in Figure G, and shall not be located within any required setback area.
  - b. Properties with a permitted circular driveway may also place a porte-cochere over the circular driveway if the length of said structure is fully attached to the front of the residence, as shown in Figure H.
  - c. Where the existing location of an attached garage makes it impossible to place the porte-cochere attached to the side of the residence, the porte-cochere may be constructed attached to the front of the garage provided that the porte-cochere does not exceed six feet in depth and is not located within any required setback area as shown in Figure I.

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FIGURE E

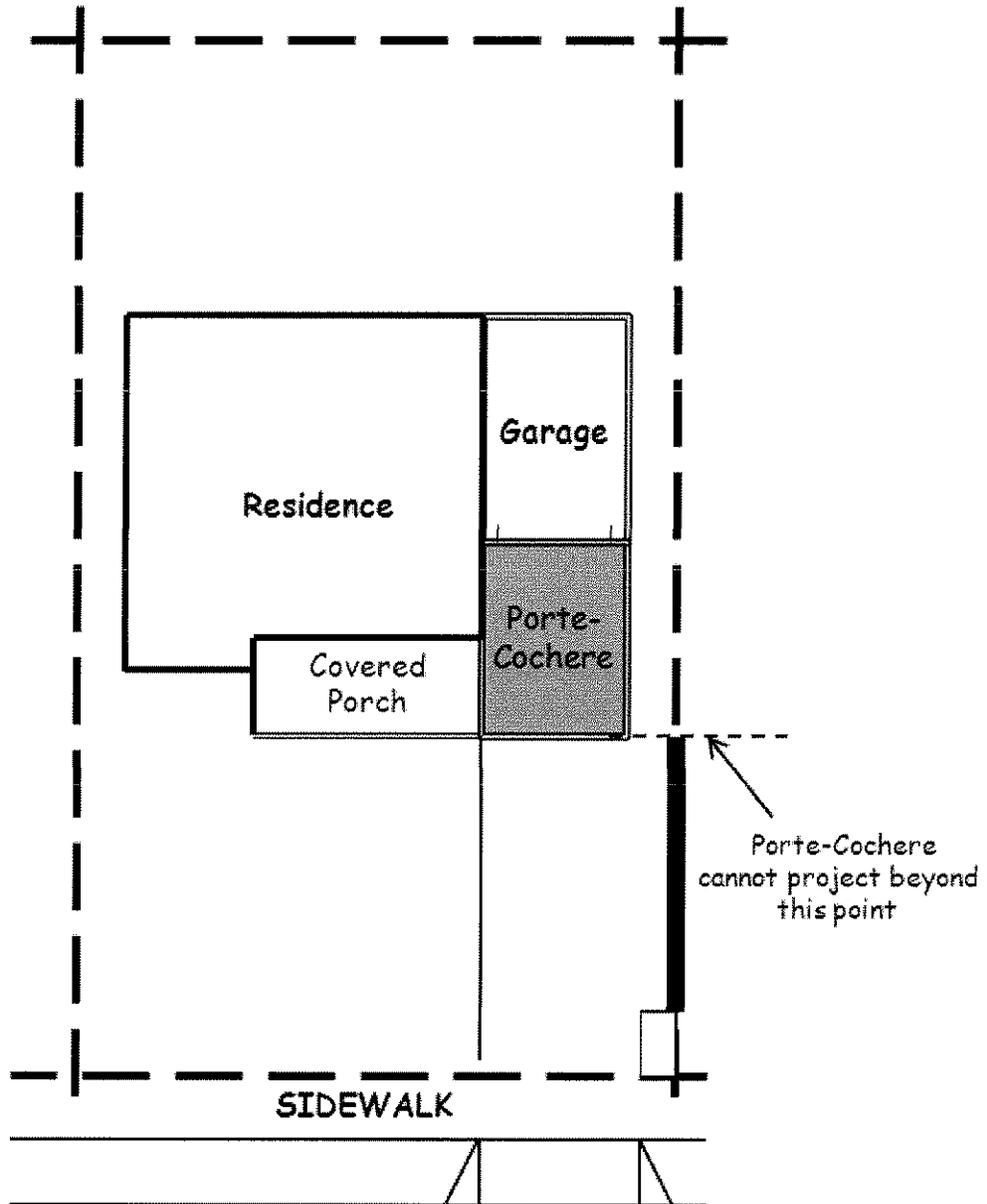


FIGURE G

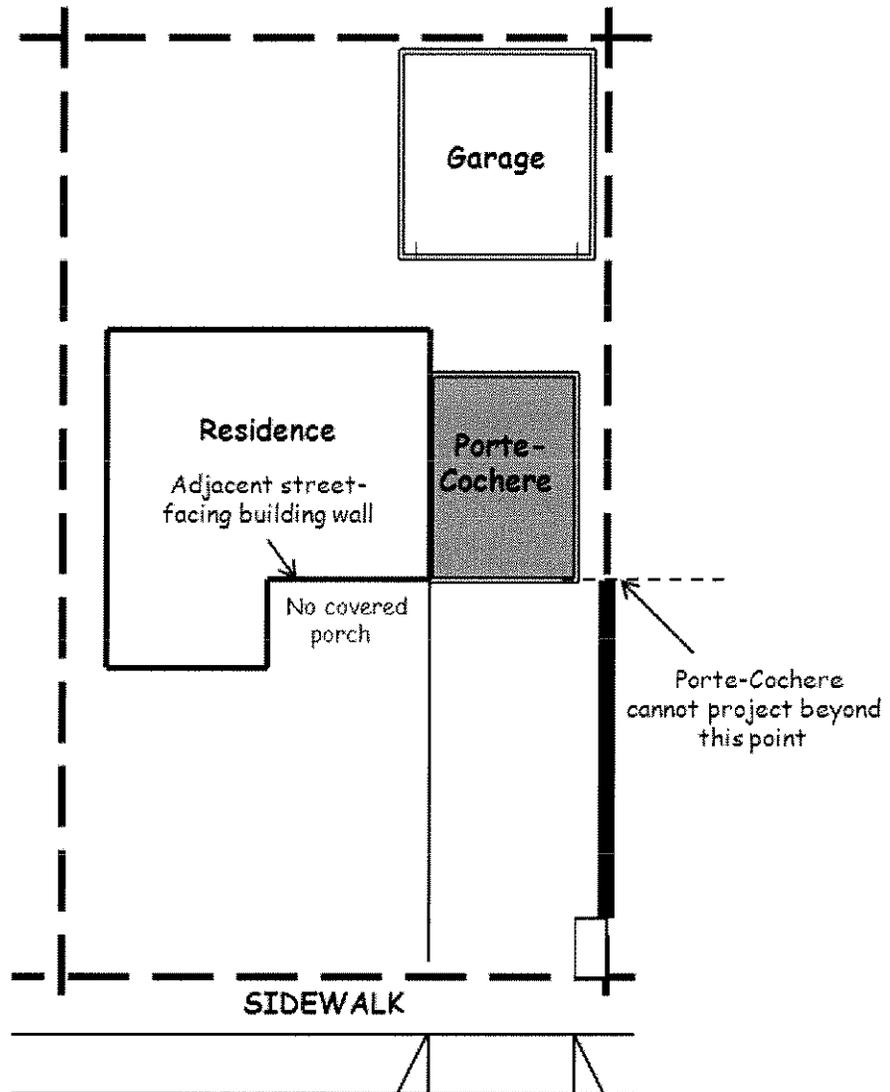


FIGURE H

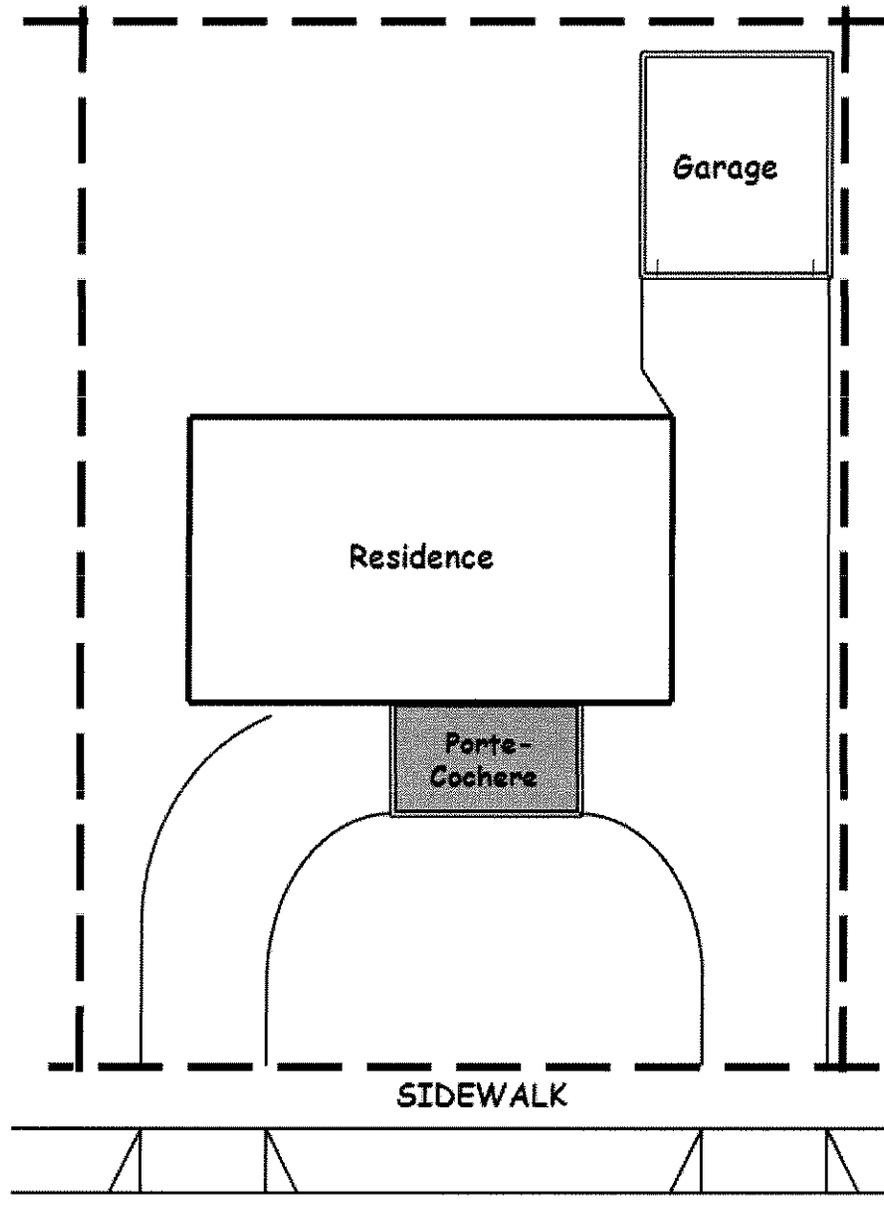
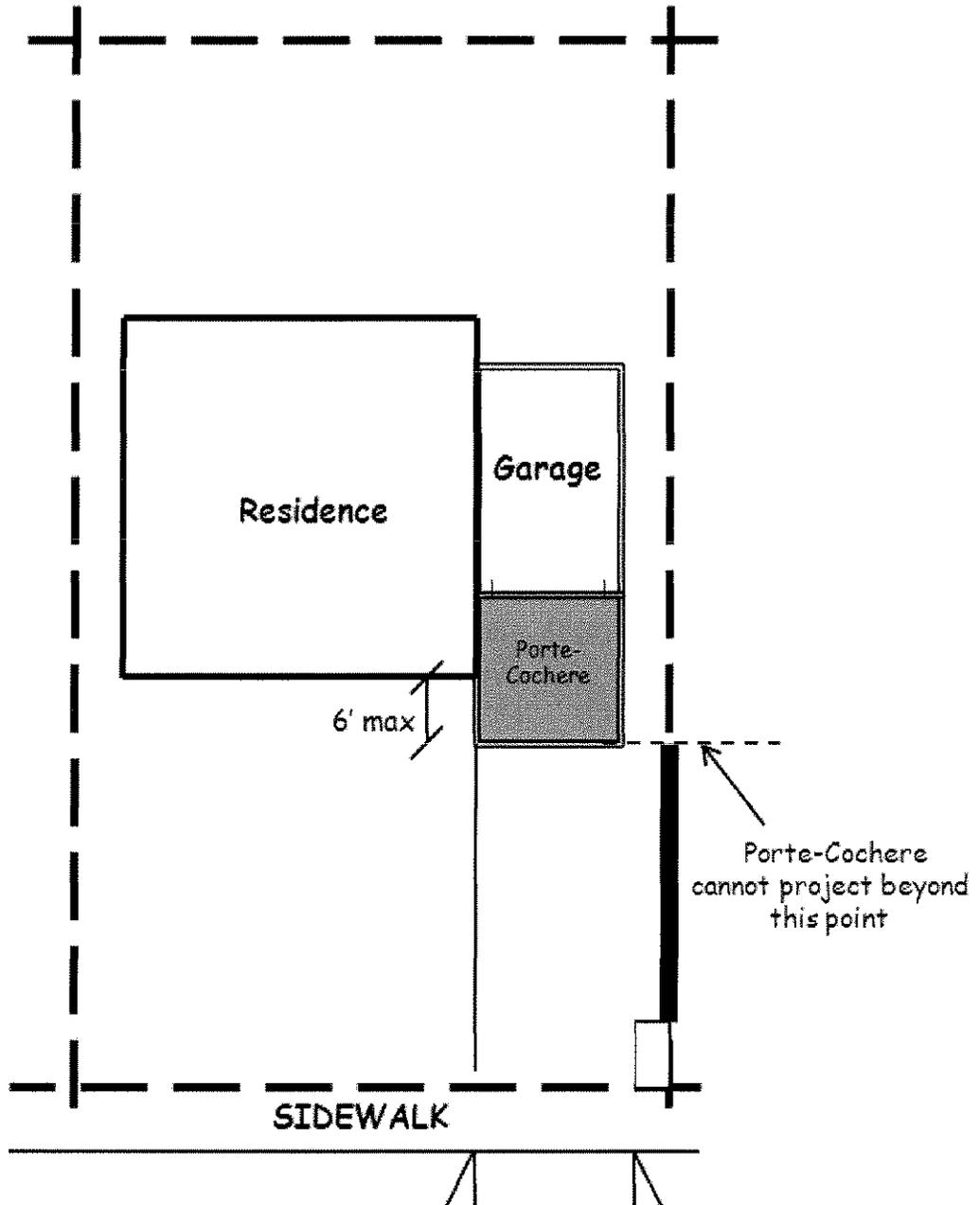
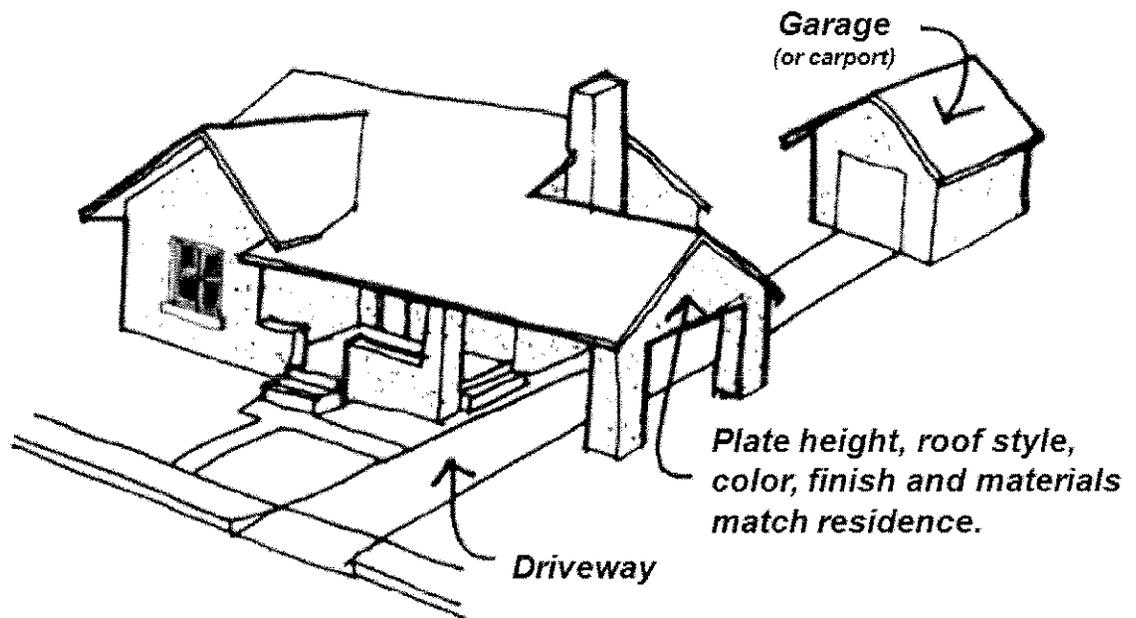


FIGURE I



3. All porte-cocheres must comply with setback requirements except as permitted in Chapter 18.42.050 (B) Note 27.
4. Porte-cocheres must have a minimum width opening of nine-feet, a maximum length of forty feet and a maximum sheltering capacity of two vehicles at 9' x 20' per vehicle. The porte-cochere can accommodate the two vehicles in tandem or side-by-side.
5. The roof style, colors, finish, materials and plate height of the porte-cochere shall match the residence, as shown in the following figure:



6. Porte-cocheres shall be limited solely to roof supporting posts or columns and shall not be enclosed nor have any walls except for the common walls of the residence and/or garage. Storage space may be provided within the attic space of the porte-cochere provided that access to the storage area is by means of a pull-down ladder. Said ladder shall remain closed when not in use. Habitable space, storage rooms and/or roof decks cannot be located above the porte-cochere.
7. The roof height for a porte-cochere shall not exceed the roof height of the dwelling.
8. Metal or plastic supporting columns are not permitted unless encased with masonry, wood or other decorative and compatible treatment so as to match the residence.
9. Porte-cocheres shall be used solely for the shelter of operable vehicles and shall not be used for the storage or shelter of any articles, furniture or other property.

**SECTION 9.** Section 18.42.050 (B) Note 27 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*Note 27. Projections Permitted into Required Yards. The following projections may be permitted to intrude or encroach into any required yard, but shall not occupy more than fifty percent of any required yard area, except paragraph e of this subsection. In the R-E and R-M zones, none of the following shall extend more than ten feet into a required front yard, and in the S-F zone, not more than six feet into a required front yard nor more than three feet into a side or rear yard, except paragraphs a, ~~d~~, and e and i of this subsection.*

a. *Arbor-type entry structures constructed or erected over driveways or other similar-type architectural features not exceeding sixteen feet in height;*

b. *Cornices, roof eaves, belt courses, sills, buttresses, bay windows, or such other similar architectural features;*

c. *Fireplace structures not exceeding a width greater than twelve feet, measured parallel with the wall or portion thereof of which it is or forms a part;*

d. *Stairways and balconies, open-roofed porches, platforms, walkways, and such other similar features. Walkways not exceeding ~~six~~ four-feet in width may be extended to the front property line. Walk-ways shall maintain a ~~six~~ three-foot landscaped setback from an existing driveway or a ~~three~~ one-foot setback if a raised planter is constructed of decorative block or brick between the entire length of the driveway and the walkway. The raised planter shall be permanently mounted onto the ground and must be a minimum of ~~three feet~~ one-foot in width and one-foot in height. Walkways located directly adjacent to a driveway shall consist of decorative paving materials such as brick, scored or tinted concrete, aggregate concrete or other impervious materials so as to clearly distinguish the walkway from the driveway. Such pavers shall be used either as a decorative border or throughout the entire walkway area. Non-permanent or moveable pavers such as stepping stones, pebbles and river rocks are not permitted adjacent to a driveway. Parking is not permitted on any portion of the driveway.*

e. *Constructed landscape planter area not exceeding three and one-half feet in height above finished grade, natural landscape plant material and landscaping earth mounds and other similar features;*

f. *Planned unit developments (Column B only) permitted the following projections into the required yards:*

*Side yards: one-foot projection on interior lot line for fireplace or chimneys.*

*Rear yards: roofed, open sided patios must maintain a five-foot rear setback, inclusive of overhang. Patio coverage not to exceed fifty percent of the rear yard area. Barbecues, decks, or spas permitted to project into rear yard.*

*g. Residential infill zone developments permitted the following projections into required yards:*

*Side yards: One foot projection for fireplaces or chimneys.*

*Rear yards: Roofed, open sided patios must maintain a ten foot setback, inclusive of overhang. Patio and accessory coverage not to exceed fifty (50) percent of rear yard area. Patio slabs or decks may encroach within five feet of property line.*

*h. Such other features which, in the opinion of the zoning administrator, will produce desired effects not detrimental to the general nature and character of the area.*

*i. Porte-cochere structures may encroach up to two-feet into the required interior side-yard setback of single-family zoned lots, inclusive of the overhang. Porte-cochere structures may also project up to six-feet into the required front-yard setback if attached to a permitted front porch. In such cases, the porte-cochere shall maintain the same setback as the front porch but shall not project more than six feet into the required front-yard setback.*

**SECTION 10.** Section 18.04.150 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

***18.04.150 Building coverage.***

*~~“Building coverage” means that certain portion of land surface which is or may be occupied by a building, but excluding roof eaves or cantilevered roof projections which do not extend beyond three feet from a supporting wall or column, and those permitted projections as set forth in Chapter 18.42 of this title; in addition as balconies, roof decks, patios, swimming pools, and cabanas with protective roof covering and with one side remaining open are defined as part of the outdoor living space, these structures do not count as part of the building coverage. (See Diagram No. 3 at the end of this chapter.) (Ord. 765 § 2, 1989; prior code § 9203.02 (A)(45))~~ the same as lot coverage.*

**SECTION 11.** Section 18.04.500 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

***18.04.500 Lot coverage.***

*“Lot coverage” means the amount of land surface of a lot permitted to be covered by all*

buildings and structures with roof coverings as regulated by the zone in which such is located. (See Diagram No. 5 at the end of this chapter.) This includes accessory structures such as garages, carports, porte-cocheres, storage sheds, covered patios, porches, balconies, enclosed patios, etc. Lot coverage shall also include horizontal projections such as roof eaves which extend more than 36" from the structure, but shall not include cornices or chimneys.

**SECTION 12.** Severability. The City Council hereby declares that it would have passed this ordinance sentence by sentence, paragraph by paragraph, and section by section and does hereby declare that the provisions of this Ordinance are severable, and if, for any reasons, any sentence, paragraph, or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

**SECTION 13.** The City Clerk shall certify to the adoption of this Ordinance. The City Council hereby finds that there are not newspapers of general circulation published and circulated within the City. The City Clerk shall therefore cause this Ordinance to be posted in five public places within the City as specified in the Pico Rivera Municipal Code within fifteen days of its final passage and this Ordinance shall take effect thirty days following its final passage.

**APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by members of the City Council of the City of Pico Rivera, voting as follows:

\_\_\_\_\_  
Brent A. Tercero, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Anna M. Jerome, Deputy City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glassman, City Attorney

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING ZONE CODE AMENDMENT NO. 165 AMENDING TITLE 18 (ZONING) OF THE PICO RIVERA MUNICIPAL CODE PERTAINING TO THE REGULATION OF PORTE-COCHERES, DRIVEWAY EXPANSIONS, WALKWAYS AND LOT COVERAGE**

**THE CITY COUNCIL OF THE CITY OF PICO RIVERA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The official Zoning Ordinance of the City of Pico Rivera is hereby amended as provided in this Ordinance pursuant to public hearings both before the Planning Commission and City Council.

**SECTION 2.** Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the City Council finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 3.** The City Council finds that the amendment to the Zoning Code is consistent with the General Plan.

**SECTION 4.** The City Council further finds that the proposed amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.42 and 18.44.

**SECTION 5.** Table 18.44.040 (A) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal code is hereby amended as follows:

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**Table 18.44.040  
OFF-STREET PARKING AND LOADING**

	<i>Land Use</i>	<i>R-E, S-F, R-I, and PUD Zones</i>	<i>R-M Zone</i>
<b>A.</b>	<b><i>Residential Uses</i></b>	<b><i>Parking Spaces and/or Facilities Required</i></b>	<b><i>Parking Spaces and/or Facilities Required</i></b>
1.	<i>Single-family dwelling units, duplexes and garage conversions.</i>	<i>Two parking spaces in a garage for each dwelling unit with the exception of nonconforming dwellings requiring compliance to Section 18.54.060.</i>	
	<i>a. Guesthouse</i>	<i>One garage or carport attached to the guesthouse.</i>	
2.	<i>Multiple-family dwelling units</i>	<i>Two parking spaces in a garage or carport for each dwelling unit</i>	
	<i>a. Apartment developments containing eight or more dwelling units</i>		<i>One open guest parking space that shall be provided for each eight dwelling units or fraction thereof</i>
	<i>b. Rooming houses and boarding-houses, and other similar such uses having guestrooms</i>		<i>Two parking spaces in a garage or carport for each three guestrooms. In dormitories, each 100 square feet of habitable floor area shall be considered equivalent to one guestroom.</i>
3.	<i>Other uses permitted in residential zones</i>		
	<i>a. Child care centers, day nurseries and such other similar uses</i>	<i>One open parking space for each 300 square feet of net building floor area, or for each 10 children the facility is designed and/or licensed for, whichever is greater.</i>	
	<i>b. Religious places of worship</i>	<i>One open parking space for each four fixed seats or for each 40 square feet of floor area used for seating purposes and educational classrooms, whichever provides the greater number of parking places. No additional parking required for classrooms solely dedicated to the instruction of children under the age of 18. Adequate instructor parking to be provided.</i>	

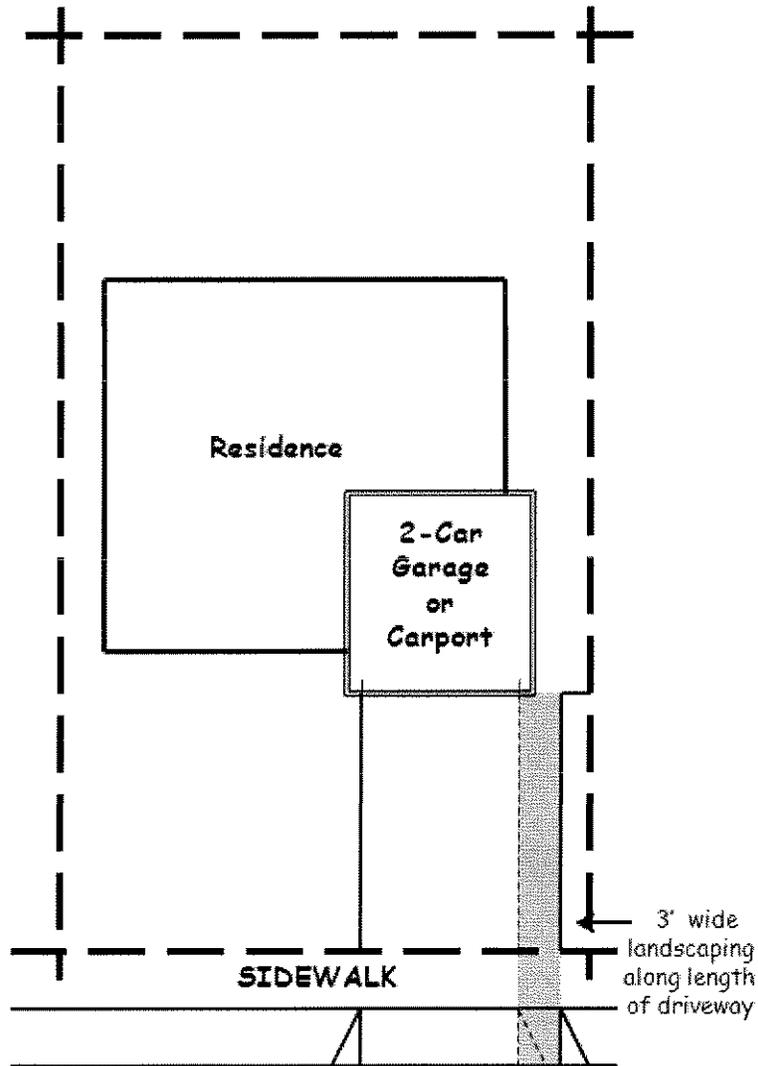
	<i>c. Convalescent, nursing and/or resthomes</i>	<i>One open parking space for each two beds and/or residents for which the facility's capacity is licensed</i>	
	<i>d. Mobilehome parks</i>		<i>Two open parking spaces on each mobilehome site, and one open guest parking space for each four mobilehome sites</i>
	<i>e. Senior citizen housing</i>		<i>One parking space for each three dwelling units</i>
4.	<i>Other applicable regulations governing off-street parking requirements</i>	<i>(1, 2-a, 3, 4-10, 18, 19, 20, 23, 24, 25, 26, 27)</i>	<i>(1, 2-a, 3,4, 6-10, 12-20, 23)</i>

**SECTION 6.** Note 2 (a)(iii) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*(iii)* Existing driveways located within the front yard setback or side yard setback of a corner lot may be expanded beyond the width of a garage or carport, subject to the following conditions: ~~provided that the expansion not exceed a total of nine feet in width and none of the nine feet shall be located in front of the dwelling. The driveway approach shall be widened to match the driveway expansion width. Landscape screening shall also be provided between the driveway expansion and the side or rear property lines, as determined by the zoning administrator. Construction of a six foot high block wall reduced to forty two inches in the front setback area shall also be provided for the entire length of the driveway expansion. The driveway may also be expanded between the garage or carport and the adjoining property line or structures provided that the distance is no less than seven and one-half feet. The maximum driveway width expansion shall not exceed twelve feet. In no case shall the driveway expansion exceed twenty feet in depth from the dwelling and/or attached garage or carport, such driveway expansion requires a six foot high solid gate to conceal visibility from the public right of way. Expansion of a driveway that does not lead to a garage or carport is prohibited except as permitted in Section 18.54.060 of this title. Walkways adjoining a driveway shall not exceed six feet in width and not project more than six feet into the front yard setback area except as permitted by Section 18.42.050B(27) of this title.~~

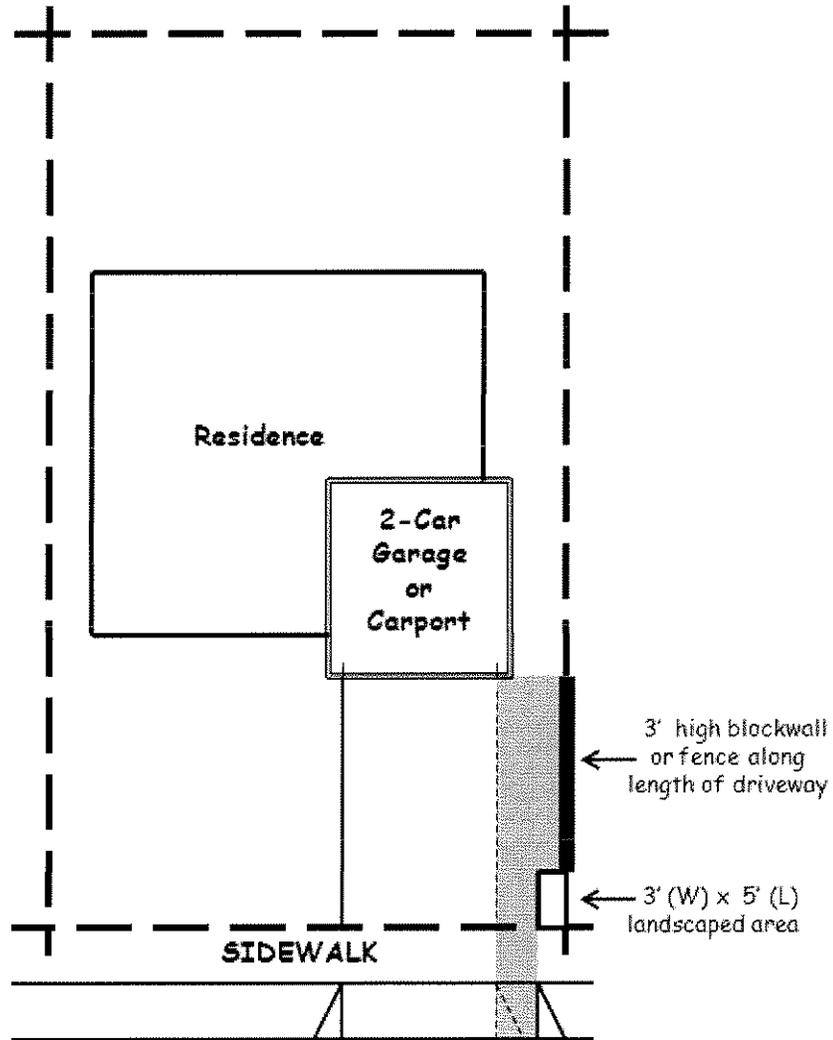
1) The driveway may be expanded between the garage or carport towards the adjoining property line provided that the driveway is separated from the side property line by a landscaped area not less than three feet in width as shown in Figure A, or;

FIGURE A



2) The driveway may be expanded between the garage or carport up to the adjoining property line provided that a minimum three-foot high blockwall, wrought iron fence, solid wooden fence or vinyl fence is installed at the property line along the entire length of the driveway. Chain link fencing, chicken wire, picket fencing, lattice and other non-decorative fencing materials are not acceptable. A three-foot wide by five-foot long landscaped planter shall also be installed at the base of the driveway adjacent to the side property line and sidewalk/street, as shown in Figure B, and;

FIGURE B



3) The driveway approach shall be widened to match the width of the driveway, in compliance with the Department of Public Works' standards and subject to necessary permits and issuance fees. Permits for improvements within the public right-of-way will only be issued to appropriately licensed and insured individuals pursuant to Chapter 12.08 of this code. Accessibility design compliance, topographic feature relocations and an engineering analysis may also be required as a condition of approval, as determined by the City Engineer, at the expense of the property owner, and;

4) Driveways, driveway expansions and driveway approaches shall not consist of asphaltic materials, stepping stones, gravel, small stones or mulch, and;

5) Driveways serving side loading garages shall maintain a minimum inside turning radius of 15'; and,

6) Expansion of a driveway that does not lead to a garage or carport is prohibited except as permitted in Section 18.54.060 of this title; and,

7) Walkways adjoining a driveway shall be subject to Section 18.42.050B(27) of this title, and;

8) In addition to provisions in Section 18.44.050 (B)(Note 2)(a)(iii)(1-7), non-conforming single-family dwellings with a legally permitted attached one-car garage or carport may expand the driveway to a maximum width of eighteen feet provided that not more than four feet of the width of the driveway is located within the frontage of the residence as shown in Figure C. Side-loading one-car garages and carports may also expand the driveway to a maximum width of eighteen feet provided that a minimum interior turning radius of 15' is provided, as shown in Figure D. Corner lots containing a one-car garage or carport may expand the driveway to a maximum width of eighteen feet provided that no portion of the driveway nor the approach is located between the points of curvature as shown in Figure E.

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FIGURE C

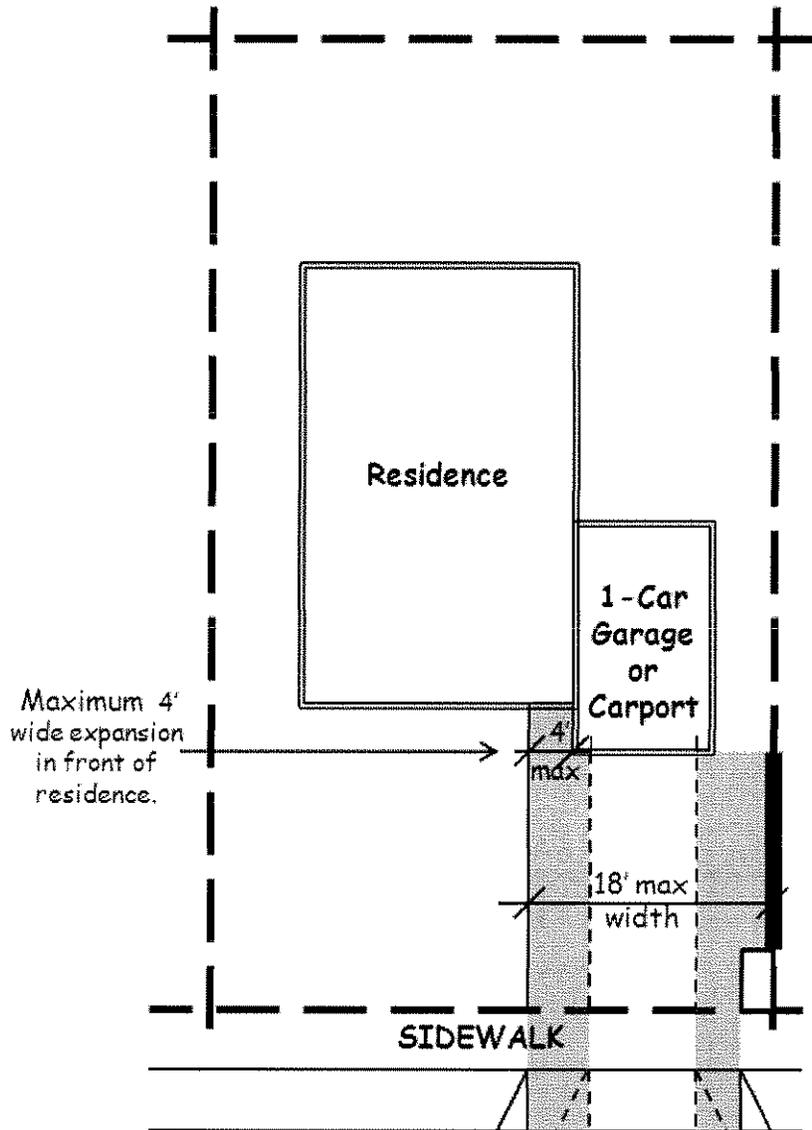


FIGURE D

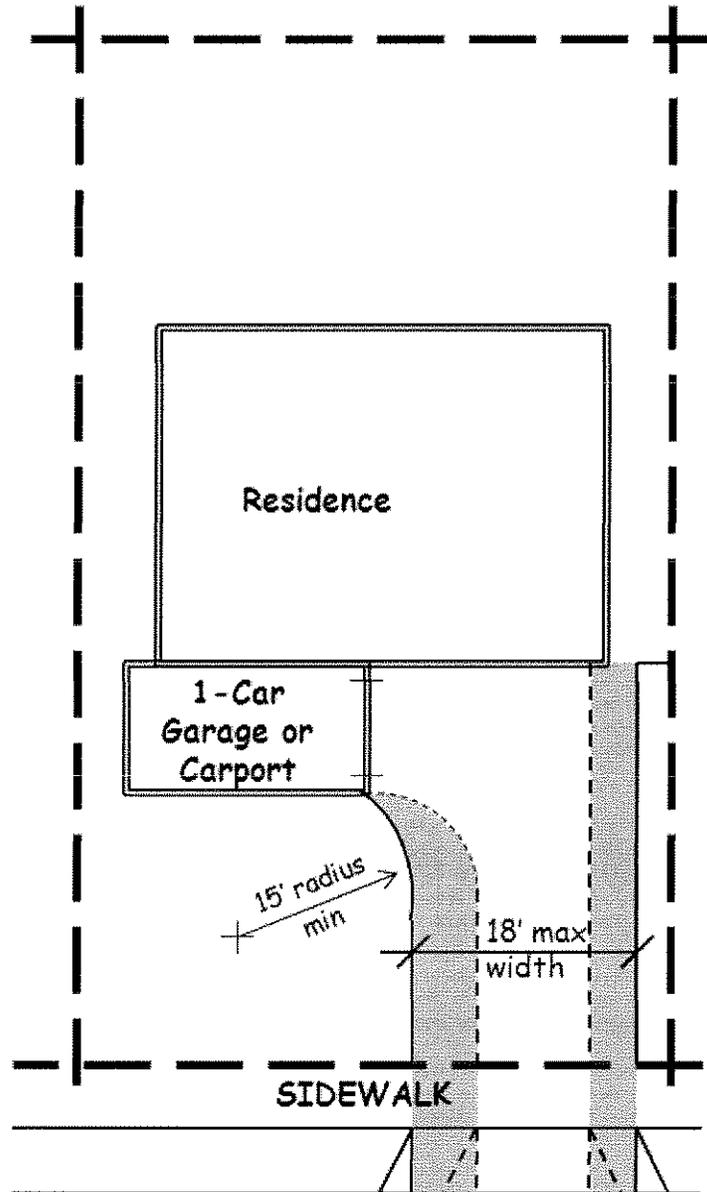
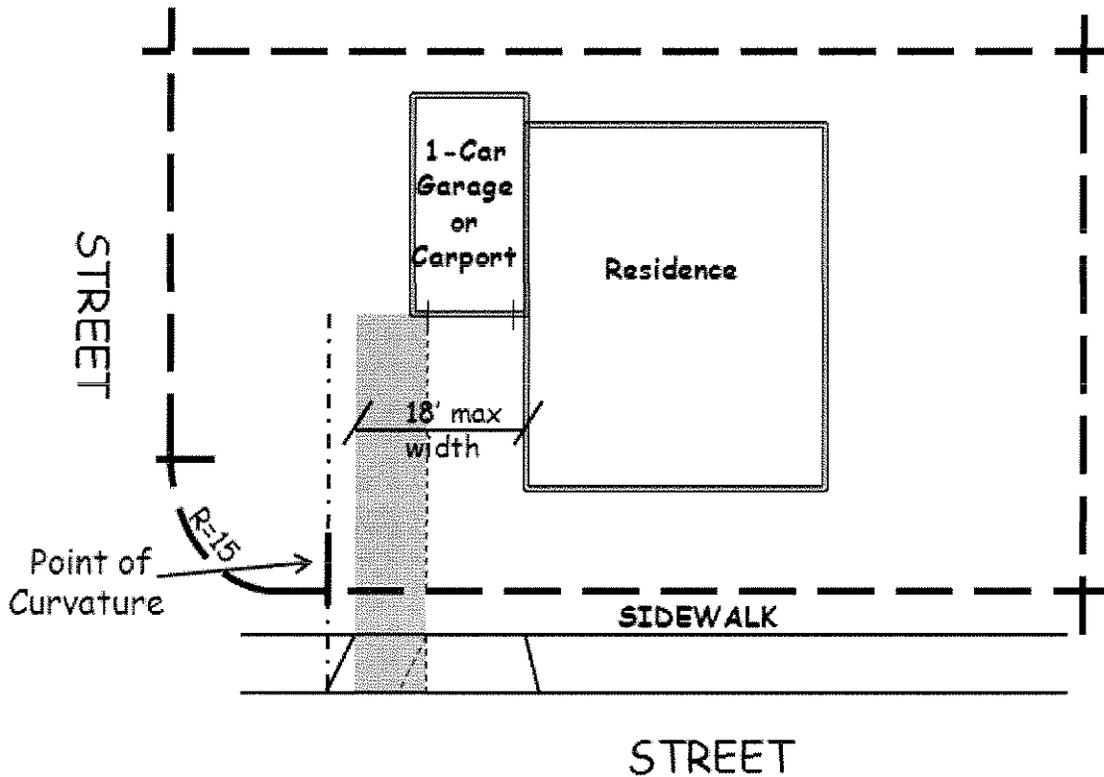


FIGURE E



**SECTION 7.** Note 9 (a)(ii) of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

- (ii) *All driveways shall be unencumbered from the pavement upward, with the exception of legally permitted porte-cocheres.*

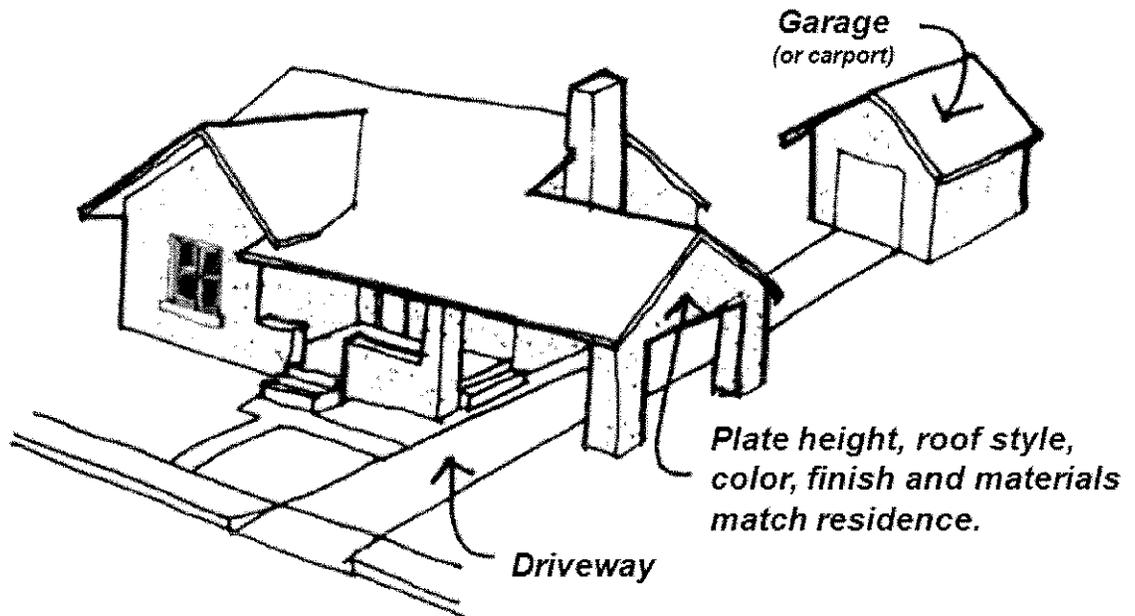
**SECTION 8.** Note 27 of Chapter 18.44 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*Note 27. ~~Driveway widths cannot be expanded beyond the width of the garage. Porte-cocheres shall be subject to the following conditions:~~*

1. *Porte-cocheres must be placed over a driveway which leads to a permitted garage or carport.*
2. *Porte-cocheres must be attached to the residence as follows:*

- a. A minimum of five feet of the length of the porte-cochere must be fully attached to the side of the residence. A porte-cochere may project up to ten feet in length beyond the adjacent street-facing residential building wall but shall not be located within any required setback area. The following exceptions to the ten foot projection apply:
  - i. In the S-F zone, if the adjacent street-facing residential building wall is set back forty feet or more from the front property line, the porte-cochere may project up to thirty-five percent into such distance between the adjacent street-facing residential building wall and the front property line.
  - ii. In the R-M zone, if the adjacent street-facing residential building wall is set back fifty feet or more from the front property line, the porte-cochere may project up to thirty-five percent into such distance between the adjacent street-facing residential building wall and the front property line.
  - iii. In the R-E zone, if the adjacent street-facing residential building wall is set back sixty feet or more from the front property line, the porte-cochere may project up to thirty-five percent into such distance between the adjacent street-facing residential building wall and the front property line.
  - iv. Properties with a permitted circular driveway may also place a porte-cochere over the circular driveway if the length of said structure is fully attached to the front of the residence.
3. All porte-cocheres must comply with setback requirements except as permitted in Chapter 18.42.050 (B) Note 27.
4. Porte-cocheres must have a minimum width opening of nine-feet, a maximum length of forty feet and a maximum sheltering capacity of two vehicles at 9' x 20' per vehicle. The porte-cochere can accommodate the two vehicles in tandem or side-by-side.
5. The roof style, colors, finish, materials and plate height of the porte-cochere shall match the residence, as shown in the following figure:

[This space intentionally left blank]



6. Porte-cocheres shall be limited solely to roof supporting posts or columns and shall not be enclosed nor have any walls except for the common walls of the residence and/or garage. Storage space may be provided within the attic space of the porte-cochere provided that access to the storage area is by means of a pull-down ladder. Said ladder shall remain closed when not in use. Habitable space, storage rooms and/or roof decks cannot be located above the porte-cochere.
7. The roof height for a porte-cochere shall not exceed the roof height of the dwelling.
8. Metal or plastic supporting columns are not permitted unless encased with masonry, wood or other decorative and compatible treatment so as to match the residence.
9. Porte-cocheres shall be used solely for the shelter of operable vehicles and shall not be used for the storage or shelter of any articles, furniture or other property.

**SECTION 9.** Section 18.42.050 (B) Note 27 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

*Note 27. Projections Permitted into Required Yards. The following projections may be permitted to intrude or encroach into any required yard, but shall not occupy more than fifty percent of any required yard area, except paragraph e of this subsection. In the R-E and R-M zones, none of the following shall extend more than ten feet into a required front yard, and in the S-F zone, not more than six feet into a required front yard nor more than three feet into a side or rear yard, except paragraphs a, d, ~~and~~ e and i of this subsection.*

a. Arbor-type entry structures constructed or erected over driveways or other similar-type architectural features not exceeding sixteen feet in height;

b. Cornices, roof eaves, belt courses, sills, buttresses, bay windows, or such other similar architectural features;

c. Fireplace structures not exceeding a width greater than twelve feet, measured parallel with the wall or portion thereof of which it is or forms a part;

d. Stairways and balconies, open-roofed porches, platforms, walkways, and such other similar features. Walkways not exceeding ~~six~~ four-feet in width may be extended to the front property line. Walkways shall maintain a ~~six~~ three-foot landscaped setback from an existing driveway or a ~~three~~ one-foot setback if a raised planter is constructed of decorative block or brick between the entire length of the driveway and the walkway. The raised planter shall be permanently mounted onto the ground and must be a minimum of ~~three-feet~~ one-foot in width and one-foot in height. Walkways located directly adjacent to a driveway shall consist of decorative paving materials such as brick, scored or tinted concrete, aggregate concrete or other impervious materials so as to clearly distinguish the walkway from the driveway. Such pavers shall be used either as a decorative border or throughout the entire walkway area. Non-permanent or moveable pavers such as stepping stones, pebbles and river rocks are not permitted adjacent to a driveway. Parking is not permitted on any portion of the driveway.;

e. Constructed landscape planter area not exceeding three and one-half feet in height above finished grade, natural landscape plant material and landscaping earth mounds and other similar features;

f. Planned unit developments (Column B only) permitted the following projections into the required yards:

*Side yards: one-foot projection on interior lot line for fireplace or chimneys.*

*Rear yards: roofed, open sided patios must maintain a five-foot rear setback, inclusive of overhang. Patio coverage not to exceed fifty percent of the rear yard area. Barbecues, decks, or spas permitted to project into rear yard.*

g. Residential infill zone developments permitted the following projections into required yards:

*Side yards: One foot projection for fireplaces or chimneys.*

*Rear yards: Roofed, open sided patios must maintain a ten foot setback, inclusive of overhang. Patio and accessory coverage not to exceed fifty (50) percent of rear yard area. Patio slabs or decks may encroach within five feet of property line.*

*h. Such other features which, in the opinion of the zoning administrator, will produce desired effects not detrimental to the general nature and character of the area.*

*i. Porte-cochere structures may encroach up to two-feet into the required interior side-yard setback of single-family zoned lots, inclusive of the overhang.*

**SECTION 10.** Section 18.04.150 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

***18.04.150 Building coverage.***

*“Building coverage” means that certain portion of land surface which is or may be occupied by a building, but excluding roof eaves or cantilevered roof projections which do not extend beyond three feet from a supporting wall or column, and those permitted projections as set forth in Chapter 18.42 of this title; in addition as balconies, roof decks, patios, swimming pools, and cabanas with protective roof covering and with one side remaining open are defined as part of the outdoor living space, these structures do not count as part of the building coverage. (See Diagram No. 3 at the end of this chapter.) (Ord. 765 § 2, 1989; prior code § 9203.02 (A)(45)) the same as lot coverage.*

**SECTION 11.** Section 18.04.500 of Title 18 of the Pico Rivera Municipal Code is hereby amended as follows:

***18.04.500 Lot coverage.***

*“Lot coverage” means the amount of land surface of a lot permitted to be covered by all buildings and structures with roof coverings as regulated by the zone in which such is located. (See Diagram No. 5 at the end of this chapter.) This includes accessory structures such as garages, carports, porte-cocheres, storage sheds, covered patios, porches, balconies, enclosed patios, etc. Lot coverage shall also include horizontal projections such as roof eaves which extend more than 36” from the structure, but shall not include cornices or chimneys.*

**SECTION 12.** Severability. The City Council hereby declares that it would have passed this ordinance sentence by sentence, paragraph by paragraph, and section by section and does hereby declare that the provisions of this Ordinance are severable, and if, for any reasons, any sentence, paragraph, or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

**SECTION 13.** The City Clerk shall certify to the adoption of this Ordinance. The City Council hereby finds that there are not newspapers of general circulation published and circulated within the City. The City Clerk shall therefore cause this Ordinance to be posted in five public places within the City as specified in the Pico Rivera Municipal Code within fifteen

days of its final passage and this Ordinance shall take effect thirty days following its final passage.

**APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by members of the City Council of the City of Pico Rivera, voting as follows:

\_\_\_\_\_  
Brent A. Tercero, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Anna M. Jerome, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glassman, City Attorney

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**



Monday, December 2, 2013

A regular meeting of the Planning Commission was called to order by Chairperson Elisaldez at 6:00 p.m., in the City Hall Council Chambers, 6615 Passons Boulevard, Pico Rivera, CA.

**STAFF PRESENT:**

Ben Martinez, Director  
Julia Gonzalez, Deputy Director  
Guille Aguilar, Senior Planner

**ROLL CALL:**

**PRESENT:** Commissioners Celiz, Elisaldez, Garcia, Martinez, Zermeno

**ABSENT:** None.

**FLAG SALUTE:** Led by Commissioner Zermeno

**APPROVAL OF MINUTES:**

November 18, 2013

Motion to approve the minutes was made by Commissioner Martinez and seconded by Commissioner Garcia:

**AYES:** Celiz, Elisaldez, Garcia, Martinez, Zermeno

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**PUBLIC HEARING:**

CONTINUED PUBLIC HEARING - ZONE CODE AMENDMENT NO. 165  
AMENDING TITLE 18 (ZONING) OF THE PICO RIVERA MUNICIPAL CODE  
PERTAINING TO THE REGULATION OF PORTE-COCHERES, DRIVEWAY  
EXPANSIONS, WALKWAYS AND LOT COVERAGE

Senior Planner Aguilar presented the staff report. She reported that the zone code amendment includes changes to the regulations for walkways and driveway expansions, providing flexibility for residents who wish to expand their driveways and walkways. It includes changes to allow porte-cochere structures. Staff omitted the portions of the draft ordinance that pertain to lot coverage in order to provide additional time to appropriately study and research the issues.

Staff presented two draft ordinances for the Planning Commission's consideration. The first ordinance follows the Planning Commission's direction from the October 14, 2013 meeting. It requires porte-cocheres flush with the front building line of the residence with two minor exceptions. Staff included an exception for the porte-cochere to extend six feet from the front of the home for a residence with an attached garage where a full length porte-cochere cannot be constructed. The second exception allows for the porte-cochere to match the setback of the home's front porch instead of the front building line of the residence so long as both the porte-cochere and the front porch do not project more than six feet into the front-yard setback.

The second version of the ordinance follows the City Council's direction. Senior Planner Aguilar stated that the ordinance allows a projection based on the distance of the home to the front property line. The ordinance provides a scale so that all homes large or small, depending on the size of the lot and the existing front setback may be allowed to build a porte-cochere towards the front of the home. Staff determined that the larger the lot, the greater the distance between the residence and the front property line. Because of this determination, staff presented an ordinance based on a scale. This approach was discussed and rejected by the Planning Commission during the October 14, 2013 Planning Commission meeting.

Senior Planner Aguilar stated that staff conducted a survey of surrounding cities and found that all cities that have design standards do not allow a porte-cochere to extend beyond the front building line of the residence. She stated that some cities do allow porte-cocheres to project beyond the front building line of the residence due to a lack of design guidelines. Most of the staff members of these cities stated that they discourage such projections and that these requests were unusual. She advised that staff also conducted a windshield survey of existing porte-cocheres throughout the city and found that only one porte-cochere out of twenty-eight projected beyond the front building line of the residence.

Commissioner Garcia asked Senior Planner Aguilar if the examples of porte-cocheres in the presentation were actual porte-cocheres located in the City.

Senior Planner Aguilar responded that the photos are examples of porte-cocheres and are not actual structures in Pico Rivera.

Senior Planner Aguilar briefly discussed lot and building coverage and said staff would present a lot coverage ordinance at a later date. She stated that the current definitions in the zoning ordinance exempt any type of patio covering to be counted towards lot coverage. Most properties in the City are limited to a maximum lot coverage of forty percent that is intended to create uniformity of the building form of neighborhoods, as well as to allow storm water drainage and for aesthetic purposes. Five of the fourteen surrounding cities surveyed do not include patios in their lot coverage. The cities have more stringent open space and setbacks requirements than Pico Rivera. Senior Planner Aguilar stated that the cities require a certain amount of yard area, and/or they do not allow residents to build as close to property lines as Pico Rivera.

Senior Planner Aguilar stated that staff's recommendation is to adopt the first ordinance option which follows the Planning Commission's recommendation from the October 14, 2013 meeting, and which allow minor exemptions for certain porte-cocheres to project slightly beyond the front building line of the residence, but eliminating the portions of the ordinance that pertain to lot coverage.

Chairperson Elisaldez asked if two properties in the presentation with the large patio additions are allowed and/or grandfathered in.

Senior Planner Aguilar responded that one of the properties has legal building permits and is permitted. The second property does not have permits for the expansive patio additions.

Chairperson Elisaldez recommended to open the public hearing. There being no one to speak on the public hearing, it was recommended to open the public hearing by Commissioner Zermeno, seconded by Commissioner Garcia.

Motioned carried by the following roll call vote:

<b>AYES:</b>	Commissioners Celiz, Elisaldez, Garcia, Martinez, Zermeno
<b>NOES:</b>	None
<b>ABSTAIN:</b>	None
<b>ABSENT:</b>	None

Chairperson Elisaldez opened the public hearing for Commission discussion.

Commissioner Garcia asked if the porte-cocheres that project far beyond the front

building line of a residence fall under the porte-cochere guidelines.

Senior Planner Aguilar responded that they did not.

Commissioner Garcia asked if staff could limit the porte-cochere to the length of one vehicle towards the front to satisfy City Council direction.

Senior Planner Aguilar responded that the recommended ordinance limits porte-cocheres to a maximum length of forty feet, which allows for coverage of two vehicles in tandem under the structure. The recommended ordinance will limit the projection of the porte-cochere towards the front, but will not limit the projection of the porte-cochere towards the rear of the property as long as the structure does not exceed the forty foot length or encroach into any setback requirements.

Chairperson Elisaldez stated that the first ordinance draft allows flexibility to the City residents because they can build the porte-cochere towards the rear and would also allow a resident with a smaller property to utilize a porte-cochere for the proper use. He stated that the Planning Commission has discussed several options in regards to porte-cocheres and prefers the first draft ordinance.

Commissioner Celiz asked if staff is proposing to allow the projection only with certain types of properties.

Senior Planner Aguilar responded that the first draft ordinance follows the Planning Commission direction from the October 14 meeting. The ordinance prohibits projections with two minor exceptions. One exception allows a projection into the setback if the projection is flush with the front porch. A second six foot projection is allowed if the garage is attached to the residence. The six foot projection was chosen because it is consistent with projections currently allowed by the zoning code for front porches.

Commissioner Zermeno suggested staff stay with the first draft ordinance. He stated that there are insufficient homes in the City which could or would build a porte-cochere under the concessions listed in the second draft ordinance. Commissioner Zermeno commented that the twenty foot tunnel effect in front of homes will look terrible and that the homeowner has the option of building the twenty foot porte-cochere towards the rear under the first draft ordinance.

There being no further discussion, Commissioner Zermeno recommended approval for the first ordinance draft, which would not allow for a projection, except for two minor exceptions. The motion was seconded by Commissioner Celiz.

Motioned carried by the following roll call vote:

**AYES:** Commissioners Celiz, Elisaldez, Garcia, Martinez, Zermeno  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None

City Attorney John Lam clarified for the record that Commissioners approved the ordinance with the removal of Sections 10 and section 11 of the ordinance related to lot coverage.

Deputy Director Gonzalez asked City Attorney Lam to confirm that the City Council may or may not choose to adopt the ordinance recommended by the Planning Commission.

City Attorney Lam stated the City Council can approve any variation or combination of the two ordinances.

Commissioner Zermeno asked if there was an overwhelming consensus from the City Council that the draft ordinance be brought back to the Planning Commission for further review to discuss additional projections beyond the twenty foot projection which was proposed in the previous recommended ordinance.

Director Martinez responded that it was not overwhelming, but there was a consensus from the City Council to again present the ordinance for Planning Commission consideration to provide additional flexibility for larger lots to construct porte-cocheres that project from the front building line of the residence.

**PUBLIC COMMENTS – NON-AGENDA ITEMS:** None.

**NEW BUSINESS:** None.

**CONTINUED/OLD BUSINESS:**

Commissioner Garcia stated that someone driving north on the Passons Underpass drove through a fence onto Maizeland. He requested that something be placed to clearly divide opposing traffic. He stated that this issue was previously mentioned by Chairperson Elisaldez.

**PLANNING COMMISSION REPORTS:** None

Director Martinez reminded the Planning Commissioners to turn in their Planning Commission applications if they haven't done so.

Commissioner Garcia asked if City Council will meet in December before the Planning Commission meets.

Deputy Director Gonzalez replied that the City Council will meet in December and that the Planning Commission must reorganize thirty days thereafter.

Commissioner Martinez asked if commissioners would be granted any funds to attend any conferences.

Director Martinez will look into any local events and into the budget availability.

Commissioner Zermeno responded that there is the Las Vegas ICSC conference.

Director Martinez responded staff would look for funds primarily for city planning type training conferences.

Chairperson Elisaldez thanked staff and fellow Commissioners for all their assistance.

There being no further business the Planning Commission meeting was adjourned at 6:37 p.m.

  
Tommy Elisaldez, Chairperson

**ATTEST:**

  
Benjamin A. Martinez, Secretary

Planning Commission

Director of Community and Economic Development

RESOLUTION NO. 1210

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PICO RIVERA, CALIFORNIA, RECOMMENDING CITY COUNCIL ADOPTION OF ZONE CODE AMENDMENT NO. 165 AMENDING TITLE 18 PERTAINING TO THE REGULATION OF RESIDENTIAL DRIVEWAY EXPANSIONS, PORTE-COCHERES AND WALKWAYS**

**THE PLANNING COMMISSION OF THE CITY OF PICO RIVERA HEREBY RESOLVES AS FOLLOWS:**

**WHEREAS**, existing Zoning Code, Ordinance No. 534, was adopted on April 1, 1975;  
and

**WHEREAS**, the Planning Commission of the City of Pico Rivera held a legally noticed public hearing on March 4, 2013 and adopted Resolution No. 1204 recommending City Council approval of Zoning Code Amendment No. 165; and,

**WHEREAS**, the City Council of the City of Pico Rivera held a legally noticed public hearing on March 26, 2013 and did not approve the recommended amendment; and,

**WHEREAS**, the City Council of the City of Pico Rivera directed staff to conduct further research on the proposed regulations for porte-cocheres to allow greater flexibility on the location and setbacks of such structures; and,

**WHEREAS**, the Planning Commission of the City of Pico Rivera conducted a public hearing on the matter of amendment to Title 18 of the Pico Rivera Municipal Code at a legally noticed public hearing held on October 14, 2013 and December 2, 2013; and

**WHEREAS**, this resolution supersedes Resolution No. 1204 adopted by the Planning Commission on March 4, 2013; and,

**NOW, THEREFORE**, be it resolved by the Planning Commission of the City of Pico Rivera that:

**SECTION 1.** Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the Planning Commission finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 2.** The Planning Commission hereby FINDS that the approval of said

amendment to the Municipal Code will not be detrimental to the health, safety and welfare of the general public and recommends that the City Council concur with the determination that the amendment will not have a significant effect on the environment pursuant to Section 15061 (b)(3).

**SECTION 3.** Pursuant to Chapter 18.62, Article II of the Pico Rivera Municipal Code, the Planning Commission of the City of Pico Rivera hereby recommends to the City Council of the City of Pico Rivera, the approval of an Ordinance amending Title 18 of the Pico Rivera Municipal Code, modifying Chapters 18.42 and 18.44 as specifically described in draft ordinance designated herein as Attachment "A" made a part hereof and further designated as Zone Code Amendment No. 165.

**SECTION 4.** Further, this Resolution with staff report and the recommended Ordinance attached hereto in this matter shall constitute a report of the Planning Commission to the City Council.

**SECTION 5.** The Planning Commission finds that the amendment to Title 18 of the Pico Rivera Municipal Code shall be approved for the following reasons and findings:

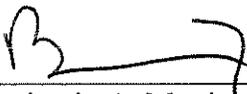
- a) The majority of the City's single-family housing stock was constructed prior to 1960 and at such time only a single-car garage was required. Due to changing demographics and lifestyle trends, most households no longer have a single-driver and are in need of additional parking amenities.
- b) That there is a vital need to adapt to the changing household driving trends by amending current regulations to provide additional options to accommodate for additional off-street parking and loading.
- c) That the proposed Amendment will provide a means by which the quality of life can be protected in compliance with Objective A.1.2 of the City's General Plan. The new provisions allowing porte-cocheres will ensure that residents have the option to construct a well-designed covered area to allow for convenient loading and off-loading from their vehicles and into their residence. The new provisions will also provide additional options for residential driveway expansions to accommodate for the demographics' growing parking needs.
- d) That the proposed Amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.42 and 18.44 pertaining to the property development and off-street parking regulations.

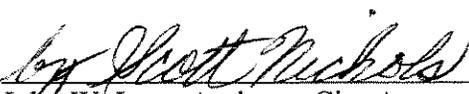
APPROVED AND ADOPTED this 2nd day of December, 2013 by members of the Planning Commission of the City of Pico Rivera, voting as follows:

  
Tommy Elizalde, Chairperson

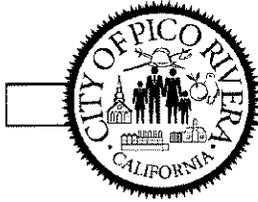
ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Benjamin A. Martinez, Secretary  
Planning Commission  
Community and Economic Development Director

  
\_\_\_\_\_  
John W. Lam, Assistant City Attorney

- AYES: Celiz, Elisalde, Garcia, Martinez, Zermeno
- NOES:
- ABSENT:
- ABSTAIN:



Tuesday, December 10, 2013

A Regular Meeting of the City Council was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Mayor Camacho called the meeting to order at 5:35 p.m. on behalf of the City Council.

**PRESENT:** Archuleta, Armenta, Tercero, Camacho

**ABSENT:** Salcido (excused)

Recessed into Closed Session at 5:35 p.m.

Mayor Pro Tem Tercero arrived at 5:40 p.m.

ALL FOUR MEMBERS WERE PRESENT

Reconvened from Closed Session at 6:15 p.m.

ALL FOUR MEMBERS WERE PRESENT

**CLOSED SESSION:**

**a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957

Title of Position: City Manager

**OPEN SESSION:**

City Attorney Cardinale stated that that staff provided a briefing on the City Manager's performance concerning a personnel matter and the City Manager's position moving forward. He stated that direction was provided on both items, there was no reportable action taken and that there was nothing further to report.

**COMMISSIONERS PRESENT:**

Paul Gomez, Parks & Recreation Commission

**INVOCATION:** Councilmember Archuleta

**PLEDGE OF ALLEGIANCE:** Mayor Pro Tem Tercero

**SPECIAL PRESENTATIONS:**

Certificates of Recognition were given to Mayor Camacho for his term and service as Mayor of the City of Pico Rivera by Congresswoman Linda Sanchez and Assemblywoman Cristina Garcia.

**1<sup>st</sup> PERIOD OF PUBLIC COMMENTS – AGENDA ITEMS ONLY:** None.

**CONSENT CALENDAR:**

**1. Minutes:**

- Approved City Council meeting of November 10, 2013;
- Received and filed Planning Commission meeting of October 14, 2013; and
- Received and filed Planning Commission meeting of November 18, 2013

**2. Approved 9<sup>th</sup> Warrant Register of the 2013-2014 Fiscal Year. (700)**

Check Numbers: 259511-259627; 259632-259763

Special Checks Numbers: 259628-259631

**3. Memorandum of Understanding (MOU) for the Service Employees International Union Local 721 (SEIU) Full-Time Bargaining Unit and the SEIU Directors Bargaining Unit for Fiscal Years July 1, 2011 through June 30, 2014.**

(500)

1. Approved Memorandum of Understanding between the City of Pico Rivera (City) and the SEIU – Full-time Bargaining Unit (Full-Time Unit) and the SEIU Directors Bargaining Unit (Directors Unit) for the period of July 1, 2011 through June 30, 2014.

**4. Agreement for Operations and Maintenance of the Pico Rivera Libraries between the City of Pico Rivera and the County of Los Angeles. (500)**

This item was pulled from the Consent Calendar for further discussion and clarification.

**5. The City of Pico Rivera and the County of Los Angeles Agreement, Maintenance and Operations Agreement Veteran's Memorial Flame. (500)**

1. Approved non-exclusive license agreement between the County of Los Angeles Library and the City of Pico Rivera for the operation and maintenance of the Veteran's Memorial Monument.

Agreement No. 13-1437

**6. Commercial Façade Rehab Grant Program Guidelines Revision. (700)**

1. Approved the revised Commercial Façade Program Guidelines establishing a calculation for the grant and loan awards for program applicants.

**7. Waiver of Parks and Recreation Facility Usage Fee for Community Sports Organizations. (700)**

1. Deferred implementation of the \$20 per player recovery facility usage fee for the Community Sports Organization that utilize city recreation facilities as their home field until January 1, 2014.

**8. Adoption of Resolution Establishing Rules, Regulations, Policies and Procedures for the Use of Recreation Athletic Facilities. (300)**

1. Adopted Resolution No. 6743 establishing rules, regulations, policies and procedures for the use of City's recreational athletic facilities;
2. Increased residency rate requirement from 60 percent to 66.6 percent; and
3. Established 50 percent off-season residency requirement.

Resolution No. 6743 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING RULES, REGULATIONS, POLICIES, AND PROCEDURES FOR THE USE OF RECREATIONAL ATHLETIC FACILITIES WITHIN THE CITY OF PICO RIVERA

**9. Selection of A & D Transportation L.P. for Recreation Bus Transportation. (500)**

1. Approved professional services agreement and purchase order with A & D Transportation L.P. in amount “not to exceed” \$55,000 per year in Fiscal Years 2013-2016.

Agreement No. 13-1438

**10. Installation of Traffic Control Devices – Congestion Relief and Traffic Safety. (1400)**

1. Received and filed.

**11. Rosemead Boulevard Pedestrian Bridge Rehabilitation and Beautification Project, CIP No. 21240 – Final Design Concept. (500)**

1. Approved the recommendation of the Parks Ad Hoc Committee to advance Design Concept “A” to final design and construction for the Rosemead Boulevard Pedestrian Bridge Rehabilitation and Beautification Project.

**12. City Hall Emergency Back-up Generator Project, CIP No. 21243 – Notice of Completion. (500)**

1. Accepted as complete, effective November 22, 2013, work performed by TSR Construction & Inspection on the City Hall Emergency Back-up Generator Project, CIP No. 21243, and instructed the City Clerk to file the Notice of Completion with the Los Angeles County Recorder; and
2. Approved Change Order No. 2, for an amount of \$21,257, necessary to adjust the bid quantities to actual construction quantities and authorized the Director of Public Works/City Engineer to execute the change order.

**13. Appointment and Reclassification of City Clerk. (300)**

This item was pulled from the Consent Calendar for further discussion and clarification.

**14. Extended Leave of Absence Without Pay for Executive Assistant. (200)**

1. Approved an extended leave of absence without pay.

Motion by Councilmember Armenta, seconded by Councilmember Archuleta to approve Consent Calendar Items No. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, and 14. Motion carries by the following roll call vote:

**AYES:** Archuleta, Armenta, Tercero, Camacho

**NOES:** None

**ABSENT:** Salcido

**CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:**

**4. Agreement for Operations and Maintenance of the Pico Rivera Libraries between the City of Pico Rivera and the County of Los Angeles. (500)**

In response to Mayor Pro Tem Tercero's inquiry regarding the language stated in Item 25 on page 10 of the County agreement, City Manager Bates stated that the language makes reference to a catastrophic incident that would destroy the building that no services would be provided.

Motion by Mayor Pro Tempore Tercero, seconded by Councilmember Archuleta to approve Memorandum of Understanding and non-exclusive agreement between the County of Los Angeles and the City of Pico Rivera for the Pico Rivera and Rivera Libraries for custodial, landscaping and grounds maintenance services. Motion carries by the following roll call vote:

Agreement No. 13-1436

**AYES:** Archuleta, Armenta, Tercero, Camacho

**NOES:** None

**ABSENT:** Salcido

**13. Appointment and Reclassification of City Clerk. (300)**

In response to Mayor Pro Tem Tercero's inquiry regarding the appointment and reclassification of the City Clerk, City Manager Bates stated that staff consulted with legal counsel and that there would be no legal ramifications.

Motion by Councilmember Archuleta, seconded by Councilmember Armenta to: 1) Adopt Resolution No. 6744 approving the reclassification and salary adjustment of City Clerk; and 2) Appoint Anna Jerome City Clerk.

Resolution No. 6744 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING A RECLASSIFICATION AND SALARY ADJUSTMENT FOR THE POSITION OF CITY CLERK

**AYES:** Archuleta, Armenta, Tercero, Camacho

**NOES:** None

**ABSENT:** Salcido

**LEGISLATION:**

**15. Official Results of November 5, 2013 – General Municipal Election in the City of Pico Rivera. (300)**

Motion by Councilmember Armenta, seconded by Councilmember Archuleta to: 1) Adopt Resolution No. 6745 reciting the fact of the General Municipal Election held on Tuesday, November 5, 2013, declaring the result and such other matters as provided by law; and 2) Receive and file Exhibit "A", Certificate of Canvass and Statement of Votes Cast as provided by the Los Angeles County Registrar-Recorder/County Clerk.

Resolution No. 6745 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON TUESDAY, NOVEMBER 5, 2013, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW

**AYES:** Archuleta, Armenta, Camacho, Tercero

**NOES:** None

**ABSENT:** Salcido

**16. Administration of Oath of Office to Newly Elected City Council Members.**

Assemblywoman Garcia administered the Oath of Office to both Council members Armenta and Camacho.

Mayor Camacho thanked the residents and supporters for his re-election. He acknowledged family and friends and commented on the many accomplishments that were achieved in the City of Pico Rivera during his term as Mayor in 2013.

Councilmember Archuleta thanked Mayor Camacho for his leadership as Mayor.

Councilmember Armenta thanked his parents and son for their support as well as the residents, Council members and City staff. He acknowledged the Public Works Department for receiving two separate awards from the American Public Works Association (APWA) for the Passons Grade Separation and the Rivera Park projects and Nationwide Environmental, NASA and the Lopez Family for their work and dedication to the City.

#### **17. City Council Reorganization.**

City Clerk Jerome called for the nominations for the Office of Mayor. Mayor Pro Tem Tercero was nominated by Councilmember Armenta. Noting no further names, the nomination period was closed.

Mayor Pro Tem Tercero was nominated and selected to serve as Mayor of the City of Pico Rivera pursuant to a 4-0 vote.

**AYES:** Archuleta, Armenta, Tercero, Camacho

**NOES:** None

**ABSENT:** Salcido

Mayor Tercero requested that the nominations for Mayor Pro Tempore be continued to the meeting of January 14, 2014 so that all five council members would be present. All four council members concurred with the recommendation.

Mayor Tercero presented former Mayor Camacho with a scrapbook of his accomplishments in the City during his term as Mayor and thanked council members, family and friends for supporting him and stated that he looks forward to building on trust. He reiterated the major accomplishments that have taken place in the City such as the renovation of four major parks and the building of a new library. He further stated that he plans to move forward with a burden of restlessness to improve upon education, economic opportunities, safety, environmental quality of life and that this can only be accomplished working together as a community.

Councilmembers Archuleta, Armenta and Camacho congratulated Mayor Tercero upon his selection as Mayor. Councilmember Armenta congratulated City Clerk Jerome upon her appointment.

Recessed to Housing Assistance Agency at 7:14 p.m.

ALL FOUR MEMBERS WERE PRESENT

Reconvened from Housing Assistance Agency at 7:15 p.m.

ALL FOUR MEMBERS WERE PRESENT

**NEW BUSINESS:**

Mayor Tercero stated that in order to increase transparency that he would like each Council member to provide a one minute report on the agency meetings they attend as representatives of the City. He also suggested a Council retreat in January.

**OLD BUSINESS:**

Councilmember Archuleta commented on the success of the tree lighting ceremony and congratulated staff on a job well done. Councilmember Camacho mentioned the Shop & Dine Campaign kick-off presented by the Chamber of Commerce.

**2<sup>ND</sup> PERIOD OF PUBLIC COMMENTS – ALL OTHER CITY-RELATED BUSINESS:**

Martin Galindo, El Rancho Unified School Superintendent:

- Addressed the City Council to congratulate the newly elected and to comment on modeling a smooth transition. He introduced school board members elect and congratulated City Clerk Jerome on her appointment. Mr. Galindo also thanked City Manager Bates for his support and for his generous contributions in setting up a scholarship program for Pico Rivera youth through the Pico Rivera Women's Club in honor of his mother Geraldine Bates.

Charlene Dimas-Peinado, Chamber of Commerce President and Mary Ann Bakotich, Executive Director of Chamber of Commerce:

- Addressed the City Council to promote the Shop & Dine Campaign and the upcoming Casino night; presented former Mayor Camacho with a Certificate of Appreciation.

Chris Warburton, Librarian:

- Addressed the City Council regarding the grand opening of the library, ribbon cutting ceremony and upcoming library programs. She also mentioned the Friends of the Library open house at the Rivera Library.

Ruben Mendez:

- Addressed the City Council to congratulate the newly elected and to thank Captain Thornton, City Manager Bates, and City staff for doing a good job.

**ADJOURNMENT**

Mayor Tercero adjourned the City Council meeting at 7:30 p.m. in memory of Raul "Sonny" Salcido former City Employee and father of Councilmember Gregory Salcido; a moment of silence was held in his honor. There being no objection it was so ordered.

**AYES:** Archuleta, Armenta, Camacho, Tercero

**NOES:** None

**ABSENT:** Salcido

---

Gustavo V. Camacho, Mayor

**ATTEST:**

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Anna M. Jerome, City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the City Council regular meeting dated December 10, 2013 and approved by the City Council on January 14, 2014.

---

Anna M. Jerome, City Clerk

**10th WARRANT REGISTER OF THE 2013-2014 FISCAL YEAR**

**MEETING DATE: 01/14/14**

**TOTAL REGISTER AMOUNT: \$3,818,510.79**

**CHECK NUMBERS: 259764-260226**

**SPECIAL CHECK NUMBERS:**

**REGULAR CHECK TOTAL: \$3,818,510.79**

**SPECIAL CHECK TOTAL:**

**TOTAL REGISTER AMOUNT: \$3,818,510.79**

**PAYROLL REGISTER P/P 12/13/13 - 12/27/13**

**Pay Date: 01/02/14**

**VOID ACH CKS** \_\_\_\_\_  
-

**VOID CKS** \_\_\_\_\_  
-

**Scrap:**  
386993  
387044

**SPECIAL CKS** \_\_\_\_\_  
-

**CKS**  
386994 - 387043      35,982.34  
\_\_\_\_\_  
35,982.34

**ACH**  
387045 - 387227      223,203.60  
\_\_\_\_\_  
223,203.60

**TOTAL** \_\_\_\_\_  
259,185.94

**PAYROLL REGISTER P/P 11/29/13 - 12/13/13**

**Pay Date: 12/19/13**

**VOID ACH CKS**  
\_\_\_\_\_

**VOID CKS**  
\_\_\_\_\_

**Scrap:**  
386742  
386803

**SPECIAL CKS**  
\_\_\_\_\_

**CKS**  
386743 - 386802      48,218.08  
\_\_\_\_\_

**ACH**  
386804 - 386992      238,438.99  
\_\_\_\_\_

**TOTAL**      286,657.07



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** LAW ENFORCEMENT SERVICES AGREEMENT

**Recommendation:**

Staff recommends the City Council approve the Agreement with the Los Angeles County Sheriff's Department for law enforcement services for a five year period beginning July 1, 2014 through June 30, 2019.

**Background:**

The City of Pico Rivera (the "City") contracts with the Los Angeles County Sheriff's Department (the "County") for law enforcement services within the City. The City entered into Agreement No. 04-898 (the "Agreement") on May 3, 2004 with the County wherein the County agreed to provide law enforcement services to the City for a period expiring on June 30, 2009. The City has approved two amendments to this Agreement to provide the City with law enforcement services through June 30, 2014.

**Discussion:**

The California Contract Cities Association (CCCA), along with the Los Angeles County Sheriff's Department Contract Law Enforcement Bureau and County Counsel, has been working together for several months to develop a new Municipal Law Enforcement Services Agreement (MLESA). The CCCA is comprised of forty (40) cities; and an eight (8) member MLESA subcommittee of CCCA City Managers was formed to work with the County to create the new Agreement. The new Agreement between the City and the County will be for law enforcement services for a period of five years, from July 1, 2014 through June 30, 2019. Pursuant to the Agreement, costs for law enforcement services will be set on an annual basis by the County Auditor-Controller to be effective each July 1 of the Agreement.

LAW ENFORCEMENT SERVICES AGREEMENT

City Council Meeting January 14, 2014

Page 2 of 2

The Agreement contains minor revisions from the current Agreement which can be found in Sections 2.6 and 3.0:

Section 2.6: Properly identifies the employment relationship between City and County personnel. It identifies that any County employee engaged in performing a service or function for the City shall be deemed to be an officer of the City while performing such services. This will allow Deputies the authority to better enforce the Municipal Code. The employees will remain County employees, and the City will only be obligated to pay the County for their services.

Section 3.0: Includes new language in the Deployment of Personnel section to strengthen the relationship and collaboration between the City and the County. This new language in the new Agreement is especially important because it addresses many deployment deficiencies that some cities have experienced, which caused inefficiencies and impairments in the consistent delivery of services. If services are impaired by 2% or more, the County will be required to inform the City to begin discussion and resolution of the matter.

A handwritten signature in black ink, appearing to read 'Ronald Bates', with a long horizontal line extending to the right.

Ronald Bates

RB:CO:MM

Attachment: 1) Agreement

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF PICO RIVERA**

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**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF PICO RIVERA**

This Municipal Law Enforcement Services Agreement (hereinafter referred to as "Agreement") is made and entered into this 14th day of January, 2014 by and between the County of Los Angeles (hereinafter referred to as "County") and the City of Pico Rivera (hereinafter referred to as "City").

**RECITALS**

- A. Whereas, the City is desirous of contracting with the County for the performance of municipal law enforcement services by the Los Angeles County Sheriff's Department (hereinafter referred to as "Sheriff's Department"); and
- B. Whereas, the County is agreeable to rendering such municipal law enforcement services on the terms and conditions set forth in this Agreement; and
- C. Whereas, such municipal law enforcement services agreements are authorized and provided for by the provisions of Section 56½ and 56¾ of the County Charter and California Government Code Section 51301.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

**1.0 SCOPE OF SERVICES**

- 1.1 The County, by and through the Sheriff's Department, agrees to provide general law enforcement services within the corporate limits of the City to the extent and in the manner hereinafter set forth in this Agreement.
- 1.2 Except as otherwise specifically set forth in this Agreement, such services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by the Sheriff's Department under the County Charter,

State of California statutes, and the City municipal codes.

- 1.3 General law enforcement services performed hereunder may include, if requested by the City, supplemental security support, supplemental sworn officer support, and supplemental professional civilian support staff.

## **2.0 ADMINISTRATION OF PERSONNEL**

- 2.1 During the term of this Agreement, the Sheriff or his designee shall serve as Chief of Police of the City and shall perform the functions of the Chief of Police at the direction of the City.
- 2.2 The rendition of the services performed by the Sheriff's Department, the standards of performance, the discipline of officers, and other matters incident to the performance of such services and the control of personnel so employed shall remain with the County.
- 2.3 In the event of a dispute between the parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such service, the City shall be consulted and a mutual determination thereof shall be made by both the Sheriff's Department and the City.
- 2.4 With regard to Paragraphs 2.2 and 2.3 above, the Sheriff's Department, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.
- 2.5 All City employees who work in conjunction with the Sheriff's Department pursuant to this Agreement shall remain employees of the City and shall not have any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the County based on this Agreement. No City employees as such shall become employees of the County unless by specific additional agreement in the form of a merger agreement which must be concurrently adopted by the City and the County.
- 2.6 For the purpose of performing services and functions pursuant to this Agreement and only for the purpose of giving official status to the performance thereof, and not to establish an agency relationship, every County employee engaged in performing any such service and function shall be deemed to be an officer of said

City while performing service for said City, which service is within the scope of this Agreement and is a municipal function.

- 2.7 The City shall not be called upon to assume any liability for the direct payment of any Sheriff's Department salaries, wages, or other compensation to any County personnel performing services hereunder for said City. Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee or agent of the County for injury or sickness arising out of his/her performance under this agreement.
- 2.8 As part of its compliance with all applicable laws and regulations relating to employee hiring, the County agrees that the County Civil Service Rules to which it is subject and which prohibit discrimination on the basis of non-merit factors, shall for purposes of this Agreement be read and understood to prohibit discrimination on the basis of sexual orientation.

### **3.0 DEPLOYMENT OF PERSONNEL**

- 3.1 Services performed hereunder and specifically requested by the City shall be developed in conjunction with the Sheriff's Department and indicated on a Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, attached hereto as Attachment A and incorporated herein by this reference.
- 3.2 City, or its designated City representative, shall meet with its respective Sheriff's Department Station Captain when requesting law enforcement services to be performed in the City, and provide direction to the Sheriff's Department Station Captain regarding the method of deployment for such services. The Sheriff's Department shall ensure that all services are delivered in a manner consistent with the priorities, annual performance objectives, and goals established by the City.
- 3.3 The Sheriff's Department shall make every attempt to avoid deployment deficiencies (i.e., "busting" of cars) which may cause impairments in the consistent delivery of services. Should the Sheriff's Department determine that a temporary increase, decrease, and/or realignment in the deployment methodologies is necessary, the Sheriff's Department shall promptly notify City of this change in advance. In the event that prior notice is not possible, City shall be notified of the change within two City business days. If monthly service

compliance falls below ninety-eight percent (98%), then the Sheriff's Department Station Captain shall meet with the City to discuss compliance and identify a plan for resolution. If the quarterly and/or year-to-date (September 30th, December 31st, March 31st, and June 30th) service compliance falls below ninety-eight percent (98%), then the respective Sheriff's Department Division Chief shall meet with the Sheriff's Department Station Captain and City to discuss compliance and identify a plan for resolution. If City is dissatisfied with the outcome of either resolution process, the matter will be elevated to a Sheriff's Department Assistant Sheriff or the Sheriff until all City concerns are fully resolved. Resolution may include, but is not limited to, the use of overtime and/or staffing adjustments at no additional cost to the City, and/or City-initiated service suspensions. If the City determines it is unnecessary, City may waive either dispute resolution process discussed above.

- 3.4 A new Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be authorized and signed annually by the City and the Sheriff or his designee each July 1, and attached hereto.
- 3.5 Should the City request a change in level of service other than pursuant to the annual July 1 readjustment, a revised Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be signed and authorized by the City and the Sheriff or his designee and attached hereto.
- 3.6 The most recent dated and signed Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be the staffing level in effect between the County and the City.
- 3.7 The City is not limited to the services indicated in Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement. The City may also request any other service in the field of public safety, law, or related fields within the legal power of the Sheriff to provide. Such other services shall be reflected in a revised Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, under the

procedures set forth in Paragraphs 3.4 and 3.5 above.

#### **4.0 PERFORMANCE OF AGREEMENT**

- 4.1 For the purpose of performing said general law enforcement services, County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder.
- 4.2 Notwithstanding the foregoing, the City may provide additional resources for the County to utilize in performance of the services.
- 4.3 When and if both parties to this Agreement concur as to the necessity of maintaining a law enforcement headquarters or Sheriff's Department substation within the City which would not normally be provided by the Sheriff's Department, the City shall furnish at its own cost and expense all necessary office space, and the Sheriff shall have authority to negotiate with the City regarding which entity shall pay for furniture and furnishings, office supplies, janitor service, telephone, light, water, and other utilities.
- 4.4 It is expressly further understood that in the event a local office or building is maintained in said City, such local office or building may be used by the Sheriff's Department in connection with the performance of his duties in territory outside of the City, provided, however, that the performance of such outside duties shall not be at any additional cost to the City.
- 4.5 Notwithstanding the foregoing, it is mutually agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied by the City at its own cost and expense.

#### **5.0 INDEMNIFICATION**

- 5.1 The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Agreement as if set out in full

herein.

5.2 The parties hereto have also executed a County-City Special Indemnity Agreement approved by the Board of Supervisors on August 25, 2009. This document is made a part of and incorporated into this Agreement as if set out in full herein.

5.3 In the event the Board of Supervisors later approves a revised Assumption of Liability Agreement and/or Joint Indemnity Agreement, and the City executes the revised agreement; the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

## **6.0 TERM OF AGREEMENT**

6.1 The term of this Agreement shall be from July 1, 2014 through June 30, 2019, unless sooner terminated or extended as provided for herein.

6.2 At the option of the County Board of Supervisors and with the consent of the City Council, this Agreement may be renewed or extended for successive periods not to exceed five (5) years each.

6.3 Nine (9) months prior to the expiration of this Agreement, the parties shall meet and confer in good faith to discuss the possible renewal or extension of this Agreement pursuant to Paragraph 6.2 above. The parties shall reach an agreement as to the terms of any renewal or extension period no later than six (6) months prior to the expiration of this Agreement. Absent mutual agreement by the parties within that time frame, this Agreement shall expire at the conclusion of the then-existing term.

## **7.0 RIGHT OF TERMINATION**

7.1 Either party may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than sixty (60) calendar days prior thereto.

7.2 Notwithstanding any provision herein to the contrary, the City may terminate this Agreement upon notice in writing to the County given within sixty (60) calendar days of receipt of written notice from the County of any increase in the rate for any service to be performed hereunder, and in such an event this Agreement shall terminate sixty (60) calendar days from the date of the City's notice to the

County.

- 7.3 This Agreement may be terminated at anytime, with or without cause, by either party upon written notice given to the other party at least one hundred eighty (180) calendar days before the date specified for such termination.
- 7.4 In the event of a termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of such termination, and, except as otherwise provided herein, each party shall be released from all obligations which would otherwise accrue subsequent to the date of termination.

## **8.0 BILLING RATES**

- 8.1 The City shall pay the County for the services provided under the terms of this Agreement at the rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement, as established by the County Auditor-Controller.
- 8.2 The rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be readjusted by the County Auditor-Controller annually effective July 1 of each year, and attached hereto as an Amendment to this Agreement, to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors.
- 8.3 The City shall be billed based on the service level provided within the parameters of Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement.
- 8.4 The cost of other services requested pursuant to Paragraph 3.7 of this Agreement and not set forth in Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be determined by the Auditor-Controller in accordance with the policies and procedures established by the County Board of Supervisors.

## **9.0 PAYMENT PROCEDURES**

- 9.1 The County, through the Sheriff's Department, shall render to said City within ten (10) calendar days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said City shall pay

County for all undisputed amounts within sixty (60) calendar days after date of said invoice.

- 9.2 If such payment is not delivered to the County office which is described on said invoice within sixty (60) calendar days after the date of the invoice, the County is entitled to recover interest thereon. For all disputed amounts, the City shall provide County with written notice of the dispute including the invoice date, amount, and reasons for dispute within ten (10) calendar days after receipt of the invoice. The parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within sixty (60) calendar days after the dispute resolution is memorialized.
- 9.3 Interest shall be at the rate of ten percent (10%) per annum or any portion thereof, calculated from the last day of the month in which the services were performed, or in the case of disputed amounts, calculated from the date the resolution is memorialized.
- 9.4 Notwithstanding the provisions of California Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within sixty (60) calendar days after the date of the invoice, or in the case of disputed amounts, from the date the resolution is memorialized, the County may satisfy such indebtedness, including interest thereon, from any funds of the City on deposit with the County without giving further notice to the City of the County's intention to do so.

## **10.0 NOTICES**

- 10.1 Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

10.2 Notices to County of Los Angeles shall be addressed as follows:

Los Angeles County Sheriff's Department  
Contract Law Enforcement Bureau  
Attn: Unit Commander  
4700 Ramona Boulevard  
Monterey Park, California 91754  
Phone #:

10.3 Notices to City of shall be addressed as follows:

City of PICO RIVERA  
Attn: CITY MANAGER  
Address: 6615 PASSONS BLVD., PICO RIVERA, CA 90660  
Phone #: 562-801-4379

### **11.0 AMENDMENTS**

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by the County Board of Supervisors and an authorized representative of the City. Notwithstanding, the Sheriff or his designee is hereby authorized to execute on behalf of the County any Amendments and/or supplemental agreements referenced in Sections 1.3, 3.0, 4.3, 8.2, and 9.2 of this Agreement.

### **12.0 AUTHORIZATION WARRANTY**

12.1 The City represents and warrants that the person executing this Agreement for the City is an authorized agent who has actual authority to bind the City to each and every term, condition, and obligation of this Agreement and that all requirements of the City have been fulfilled to provide such actual authority.

12.2 The County represents and warrants that the person executing this Agreement for the County is an authorized agent who has actual authority to bind the County to each and every term, condition, and obligation of this Agreement and that all requirements of the County have been fulfilled to provide such actual authority.

### **13.0 ENTIRE AGREEMENT**

This Agreement, Attachment A, and any executed Amendments hereto constitute the complete and exclusive statement of understanding of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 11.0, Amendments, of this Agreement.

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF PICO RIVERA**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and the City has caused this Agreement to be executed on its behalf by its duly authorized representative.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
DON KNABE  
Chairman, Board of Supervisors

ATTEST:  
SACHI HAMAI  
Executive Officer-Clerk  
Board of Supervisors

By \_\_\_\_\_  
Deputy

CITY OF PICO RIVERA

By \_\_\_\_\_  
Brent A. Tercero, Mayor

ATTEST:

By \_\_\_\_\_  
Anna M. Jerome, City Clerk

APPROVED AS TO FORM:  
JOHN F. KRATTLI  
County Counsel

By \_\_\_\_\_  
Senior Deputy County Counsel

APPROVED AS TO FORM:  
CITY ATTORNEY

By \_\_\_\_\_  
Arnold M. Alvarez-Glasman



**To:** Mayor and City Council  
**From:** City Manager  
**Meeting Date:** January 14, 2014  
**Subject:** MAYORAL APPOINTMENTS

**Recommendation:**

Confirm the Mayor's appointments to various Boards, Agencies and Committees.

**Fiscal Impact:** None.

**Discussion:**

Each year, following the City Council reorganization meeting, the incoming Mayor is charged with assigning members of the City Council to represent the City Council on various Boards, Agencies, Committees, etc. Staff then notifies the appropriate affected agencies.

The attached list shows the Mayoral appointments.

  
Ronald Bates

RB:AJ

Enc: 1) 2014 List of Mayoral appointments

## Mayor's Appointments 2014

<b>City-related Committees (Not Council Appointed)</b>			
Members are not appointed by Council, but the Mayor annually assigns a liaison from the City Council membership			
	<b>Contact</b>	<b>Delegate/Alternate Current</b>	
<b>History and Heritage Society</b> 8655 Holbrook Avenue, Pico Rivera, CA 90660	Celia Galindo 562-948-2408	Salcido & Tercero	
<b>Christmas Baskets Committee</b> 9266 Aero Drive, Pico Rivera, CA	Virginia Aguirre 562-949-8235	Gustavo & Archuleta	
<b>Council Liaison Appointments to Other Jurisdictions</b>			
<b>Agency Name</b>	<b>Contact</b>	<b>Delegate/Alternate</b>	<b>Stipend</b>
League of California Cities - Los Angeles Chapter	Kristine Guerrero League Staff	Armenta & Tercero	None
*Los Angeles County City Selection Committee	Lee Millen	Tercero & Camacho	None
Committee of Mayors		Tercero	None
Pico Rivera Chamber of Commerce 3rd Tuesday of the Month, 12noon	Mary Ann Bakotich	Archuleta & Camacho	None
Contract Cities Association Exec. Board, 1st Wed. of the month, 6:00 p.m. Director's Board, 3rd Wed. of the month, 6:00 p.m.	Sam Olivito	Camacho & Archuleta	None
Gateway Cities Council of Governments 1st Wed. of the month, 5:30 p.m.	Genny Cisneros	Tercero & Archuleta	\$100
*Sanitation Districts of Los Angeles County 2nd & 4th Wed. of the month, 1:30 p.m.	Kim Compton	Tercero & Armenta	\$150 per meeting per District
South East Area Social Services Funding Authority (SASSFA) 4th Thurs. of the month, 12:00 noon	Alma Martinez	Tercero & Archuleta	None
California Joint Powers Insurance Authority 8081 Moody Street 4th Wed. of the month, 5:30 p.m.	Jonathan Shull	Camacho & Armenta	None unless elected by board to serve on one of Executive Boards \$250 Exe. Board \$125 Claims Board
South East Area Animal Control Authority (SEAACA) 3rd Thurs. of the month, 2:00 p.m.	Cathy Kyle	Armenta & Camacho	\$225
Greater Los Angeles County Vector Control District	Truc Dever	Archuleta & Camacho	\$100 quarterly
Southeast Water Coalition	Gladis Deras	Salcido & Tercero	\$150
<b>Ad Hoc Committees (January 2014)</b>			
	<b>Contact</b>	<b>Delegate/Alternate</b>	
Fiscal Year Budget	City Manager	Tercero & Salcido	
Parks and Recreation Planning	Mayor	Salcido & Tercero	
Library Operations	Mayor	Archuleta & Salcido	
Sports Arena Complex Development	Mayor	Camacho & Armenta	
City Manager Evaluation Committee	Mayor	Tercero & Camacho	
Solid Waste Committee	Mayor	Salcido & Tercero	
Recycled Water Committee	Mayor	Salcido & Camacho	
Economic Development	Mayor	Archuleta & Camacho	
Transportation	Mayor	Camacho & Tercero	
Golf Course	Mayor	Armenta & Camacho	
Public Safety Committee	Mayor	Camacho & Archuleta	
Successor Agency Oversight Board	City Manager	Tercero & Camacho	

\* Mayor is the required delegate



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** INSTALLATION OF TRAFFIC CONTROL DEVICES –  
CONGESTION RELIEF AND TRAFFIC SAFETY

**Recommendation:** Receive and file.

**Fiscal Impact:** \$1,300 (General Fund, Public Works Operating Budget)

**Discussion:**

On May 24, 2011, the City Council approved a Resolution giving the City Manager the authority to approve the installation of traffic control devices based upon the results of traffic studies. Pursuant to the Resolution, staff is required to notify the City Council of changes to traffic control devices when they are made.

In the recent past, the Public Works Department received requests to consider new traffic control devices to resolve traffic issues at various locations in the City. Staff has completed the evaluations and necessary traffic studies. The findings were that additional traffic control devices were warranted. Following the approval of the City Manager and City Engineer, the traffic control devices were installed. The following is a summary of actions taken as a result of traffic studies conducted.

**Magee Elementary School**

At their meeting of September 28, 2010, City Council approved the installation of parking restriction signs designating bus loading zones (7AM – 6PM On School Days) and student loading zones (7AM – 9AM & 1PM - 6PM On School Days) on Serapis Avenue in front of Magee Elementary School.

Staff recently received a request from the principal to assess the need for additional student loading zones at the school due to the elimination of the school bus program by the El Rancho Unified School District.

COUNCIL AGENDA REPORT – MTG. OF 01-14-14  
INSTALLATION OF TRAFFIC CONTROL DEVICES – CONGESTION RELIEF AND  
TRAFFIC SAFETY  
Page 2 of 2

Staff performed field investigations as a part of a traffic study. The most congested areas were on northbound Serapis Avenue during the drop-off/pick-up times. To resolve this issue, the traffic study recommended the conversion of the bus loading zones to a student loading zone, as well as adding two additional student loading zones.

Loading zones can have a significant impact on residential parking if not designed properly. The design of the loading zones installed by staff is such that residential parking is only restricted during the student drop-off/pick-up times. This approach allows residents to park at all other times of the day, inclusive of unrestricted parking on weekends.

See Enclosure 2, Exhibit "B", which denotes the parking restrictions and loading zones installed per the Council's approval at the meeting of September 28, 2010. The proposed plan is part of the traffic study. See Enclosure 1, Exhibit "A".

The changes to the student and bus loading zones were completed in collaboration with the El Rancho Unified School District.

The total cost for the installation of striping and signage for all of the items above was \$1,300. This included engineering (\$700), labor (\$400) and materials (\$200). Additional technical information can be found in the attached documents.



Ronald Bates

RRB:AC:RG:JL:lg

Enc.

- 1) Traffic Analysis – Extend Student Loading Zone
- 2) Existing Condition

CITY OF PICO RIVERA  
MEMORANDUM

ENCLOSURE 1

Date: December 10, 2013

To: Director of Public Works/City Engineer

From: Assistant City Engineer

Subject: EXTENSION OF STUDENT LOADING ZONES AT MAGEE  
ELEMENTARY SCHOOL

Staff received a request to perform an evaluation of the student loading zone in front of Magee Elementary School. In response to that request, staff has conducted a site investigation to determine if traffic congestion occurs on Serapis Avenue in front of Magee Elementary School. Figure 1 presents a vicinity map of the area.

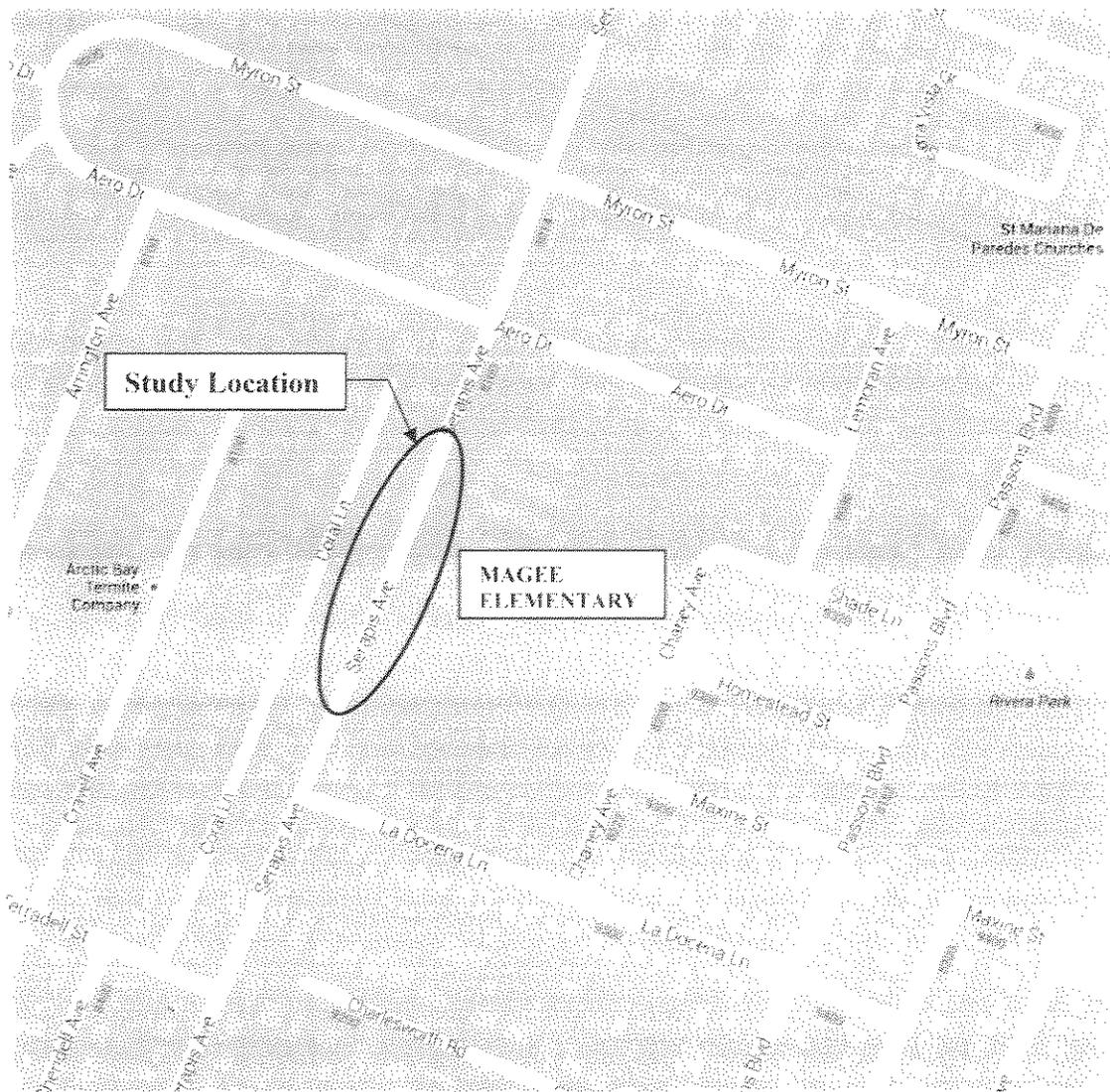


Figure 1: Vicinity Map

## Background

Serapis Avenue is a residential street. It has a width of 36 feet curb-to-curb and a prima facie speed limit of 25 MPH. Parking is permitted in the northbound direction and restricted in the southbound direction. Magee Elementary School is located on the east side of Serapis Avenue between Aero Drive and La Docena Lane. Figure 2 presents an aerial photograph of the subject area. At the September 28, 2010 meeting, the City Council approved the installation of parking restriction signs designating bus loading zones (7AM – 6PM On School Days) and student loading zones (7AM – 9AM & 1PM - 6PM On School Days) along Serapis Avenue in front of Magee Elementary School. Figure 3 presents the approved bus/student loading zones in the subject area.

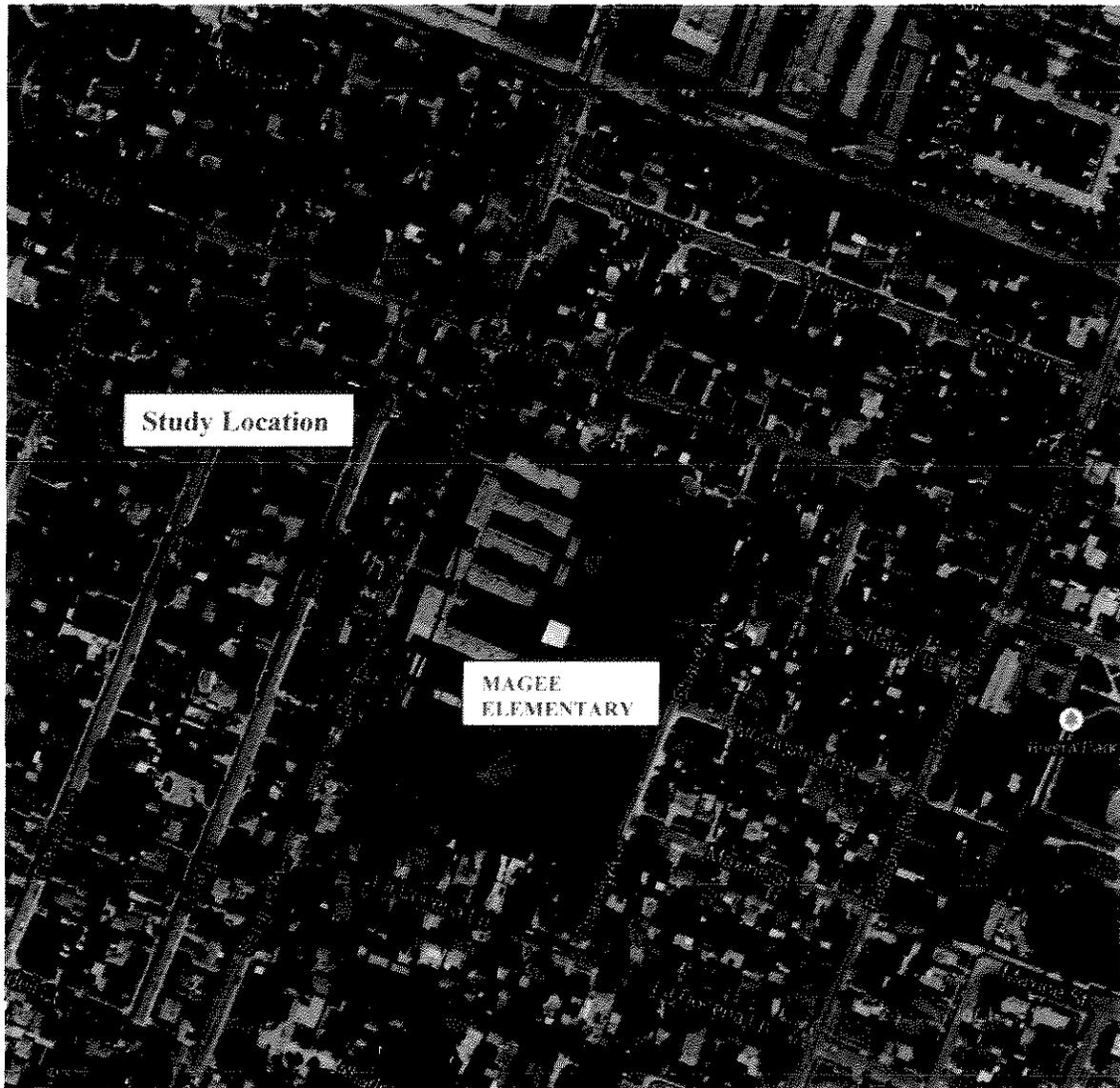


Figure 2: Aerial Photograph

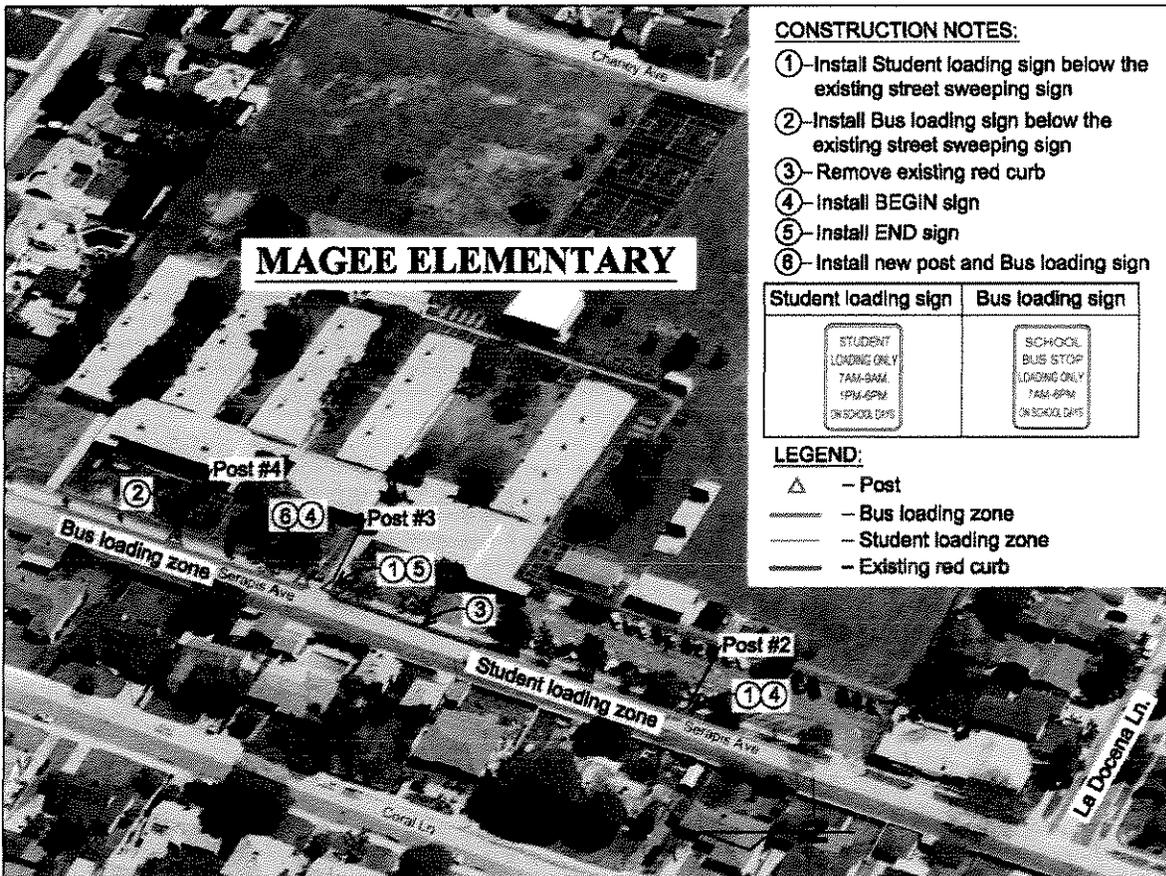


Figure 3: Council Approved Bus/Student Loading Zones

**Investigation**

Staff performed field investigations and observed a high volume of vehicles creating congestion in the northbound direction on Serapis Avenue during the drop-off/pick-up hours. Motorists created an additional unmarked lane in the same northbound direction. The entire bus loading zone was not utilized as a result of the El Rancho Unified School District eliminating the school bus program.

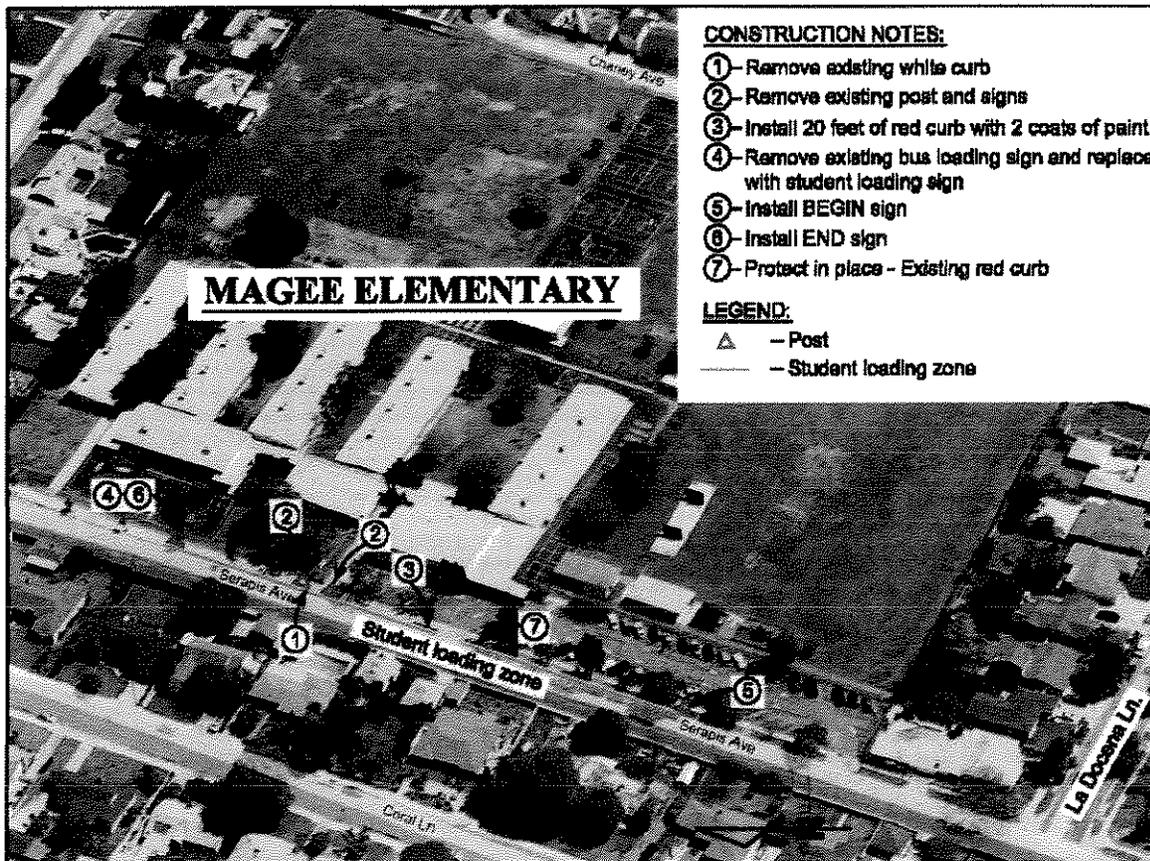
**Recommendation**

Based on this analysis, staff recommends the conversion of the bus loading zone and to a student loading zone to reduce the traffic congestion on Serapis Avenue during the peak hour times. This will be done by removing the existing school bus loading zone signs and replacing them with student loading zone signs. It is noted that loading zones can lead to significantly impacting residential parking if not designed properly. The design of the loading zones installed by staff is such that residential parking is only restricted during the student drop-off/pick-up times. This approach allows for residents to park at all other times of the day, inclusive of unrestricted parking on weekends. See proposed plan attached.

Rene Guerrero, P.E.  
Assistant City Engineer

RG:JL:MN:lg

# Proposed Plan



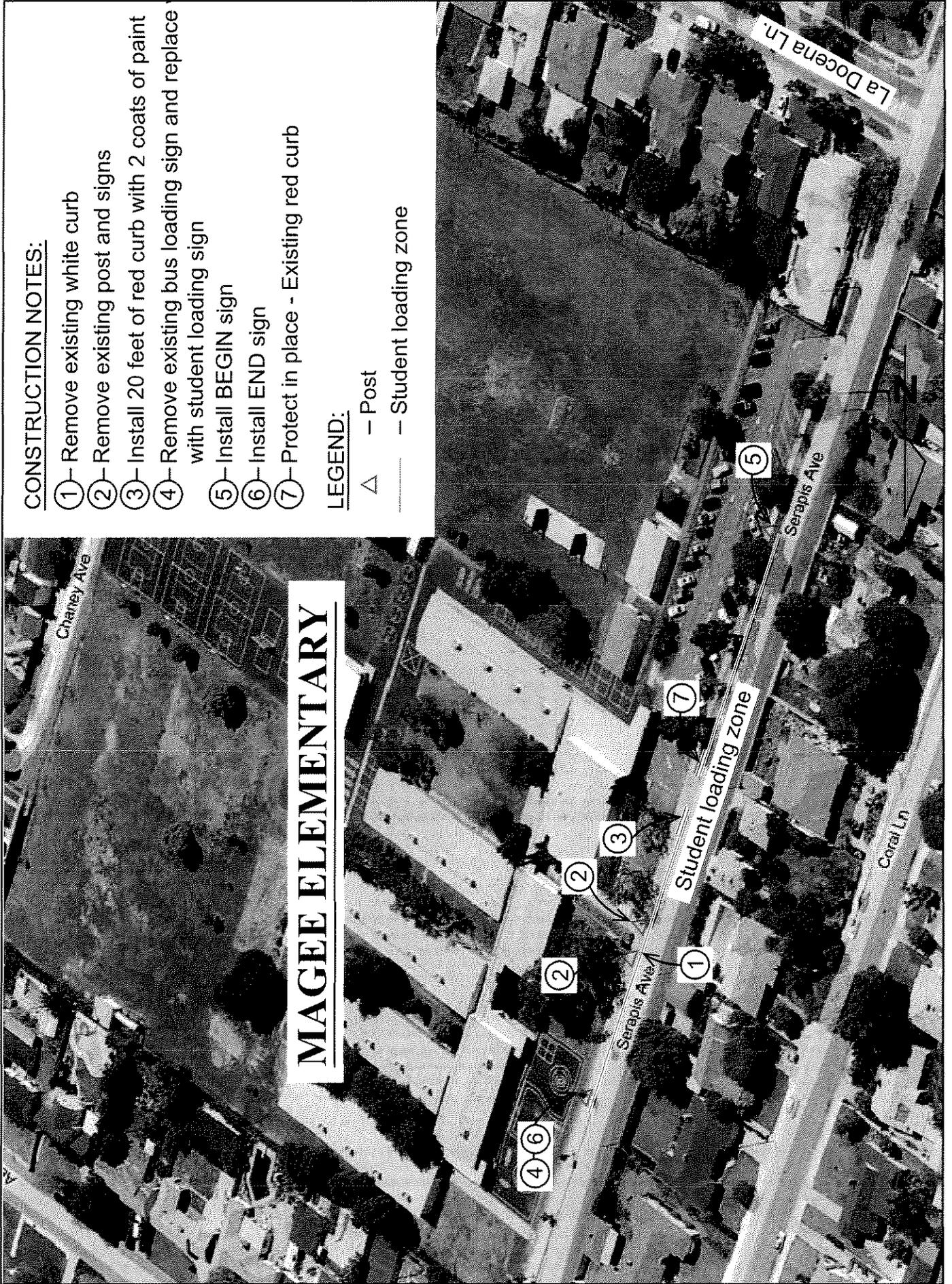
# MAGEE ELEMENTARY

## CONSTRUCTION NOTES:

- ①— Remove existing white curb
- ②— Remove existing post and signs
- ③— Install 20 feet of red curb with 2 coats of paint
- ④— Remove existing bus loading sign and replace with student loading sign
- ⑤— Install BEGIN sign
- ⑥— Install END sign
- ⑦— Protect in place - Existing red curb

## LEGEND:

- △ — Post
- — Student loading zone





**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** SMITH PARK AND RIO VISTA PARK RENOVATION PROJECTS – AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT NO. 09-1131 - CONSTRUCTION SUPPORT SERVICES

**Recommendation:**

Approve Amendment No. 5 to Professional Services Agreement No. 09-1131 with Hirsch & Associates, Inc. (HAI) for additional construction support services for an amount not to exceed \$100,780 and authorize the Mayor to execute Amendment No. 5 in a form approved by the City Attorney.

**Fiscal Impact:** \$63,000 (Public Image Enhancement Funds)  
\$37,780 (Measure R)  
\$100,780

**Discussion:**

On September 8, 2009, HAI was awarded a professional services agreement for the design of the Rivera and Smith Park Renovation Projects, for a not-to-exceed fee of \$1,010,000. The agreement included architectural, design, and construction support services.

Four (4) amendments have been approved since awarding the professional services agreement, and a summary follows. On January 12, 2010, City Council approved Amendment No. 1 in the amount of \$440,900 to add to the contract the design of the Rio Vista Park Renovation Project. On February 14, 2012, City Council approved Amendment No. 2 in the amount of \$383,063 to redesign the Smith and Rio Vista Parks Renovation Projects. Construction Amendments Nos. 3 and 4, for a total amount of \$191,216, were approved for additional construction support services on Rivera Park, Smith Park and Rio Vista Park through June 30, 2013. The current contract total is \$2,025,179.

The Smith Park and Rio Vista Park Renovation Projects have now reached substantial completion of construction and a final amendment is necessary. The reason, the current agreement funded construction support services through June 30, 2013; however, the Smith Park and Rio Vista Park Renovation Projects continued on an extended schedule due to weather delays, unforeseen conditions, and additional City-requested improvements.

Substantial completion was reached on the Smith Park and Rio Vista Park Renovation Projects on October 28, 2013 and November 4, 2013, respectively.

Amendment No. 5 covers services from June 30, 2013 through project closeout. Services include design reviews; preparing responses to RFIs (Requests for Information); reviewing and approving technical submittals; addressing unforeseen conditions when encountered in the field; and additional design services to address field changes and plan revisions. The additional services also include site visits, construction observation, and attendance at weekly construction status meetings.

The total additional cost is \$47,998 and \$52,782 (\$100,780 total) for Smith Park and Rio Vista Park, respectively. These additional services are budgeted for and will be funded through the Public Image Enhancement funds and Measure R funds allocated for the park renovation projects. The total contract amount, inclusive of Amendment No. 5, would be \$2,125,959. There is no impact to the General Fund.

As stated, both projects have reached substantial completion of construction. Staff is in the process of estimating the number of days of construction delays to be assessed to the contractor. According to the contract, the City could assess the contractor liquidated damages per calendar day of delay in the amounts of \$5,000 and \$4,000 for the Smith Park and Rio Vista Park Renovation Projects, respectively. The total in liquidated damages will depend upon the final analysis. Any funds received will be used to recover funds spent for the additional construction support services.



Ronald Bates

RRB:AC:RG:lg

Enc.

- 1) Amendment No. 5 to the Professional Services Agreement

**AMENDMENT NO. 5  
TO THE PROFESSIONAL SERVICES AGREEMENT  
WITH HIRSCH & ASSOCIATES, INC., AGREEMENT NO. 09-1131**

**THIS AMENDMENT NO. 5 TO AGREEMENT NO. 09-1131 FOR PROFESSIONAL SERVICES WITH HIRSCH & ASSOCIATES, INC.** ("Amendment No. 5"), effective as of the date specified in paragraph 5 hereof, is made and entered into by and between the CITY OF PICO RIVERA ("CITY"), and HIRSCH & ASSOCIATES, INC., ("CONSULTANT").

**RECITALS**

- A. CITY and CONSULTANT (collectively referred to as the "PARTIES") have previously executed that certain Agreement for Professional Services, Agreement No. 09-1131 ("Agreement") relating to professional services in the City of Pico Rivera.
- B. The PARTIES desire to amend said Agreement as set forth herein, pursuant to Section 5.1 of the Agreement.
- C. CONSULTANT has proposed, and CITY has accepted, CONSULTANT's Proposal, set forth in the CONSULTANT'S Proposal to City for Smith Park Renovation Project and Rio Vista Park Renovation Project, dated December 19, 2013, attached hereto as Exhibit "A".

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

**1. MODIFICATION OF SCOPE OF SERVICES TO BE PERFORMED BY CONSULTANT FOR RIVERA PARK.**

The Scope of Services to be performed by CONSULTANT, as set forth in the Agreement, shall be modified as follows:

Past and additional professional services as set forth in the Consultant's Proposal to City for Smith Park Renovation Project and Rio Vista Park Renovation Project dated December 19, 2013, attached hereto as Exhibit "A".

**2. TIME OF COMPLETION OF MODIFIED WORK AND SERVICES.**

Consultant shall undertake and complete the modified work and services set forth in Exhibit "A", within upon issuance of Notice to Proceed. Notwithstanding any other provision of this Amendment No. 5, changes the Agreement (Article 3.4) end date to June 30, 2014.

**AMENDMENT NO. 5  
TO THE PROFESSIONAL SERVICES AGREEMENT  
WITH HIRSCH & ASSOCIATES, INC., AGREEMENT NO. 09-1131**

**THIS AMENDMENT NO. 5 TO AGREEMENT NO. 09-1131 FOR PROFESSIONAL SERVICES WITH HIRSCH & ASSOCIATES, INC.** ("Amendment No. 5"), effective as of the date specified in paragraph 5 hereof, is made and entered into by and between the CITY OF PICO RIVERA ("CITY"), and HIRSCH & ASSOCIATES, INC., ("CONSULTANT").

**RECITALS**

- A. CITY and CONSULTANT (collectively referred to as the "PARTIES") have previously executed that certain Agreement for Professional Services, Agreement No. 09-1131 ("Agreement") relating to professional services in the City of Pico Rivera.
- B. The PARTIES desire to amend said Agreement as set forth herein, pursuant to Section 5.1 of the Agreement.
- C. CONSULTANT has proposed, and CITY has accepted, CONSULTANT's Proposal, set forth in the CONSULTANT'S Proposal to City for Smith Park Renovation Project and Rio Vista Park Renovation Project, dated December 19, 2013, attached hereto as Exhibit "A".

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

- 1. MODIFICATION OF SCOPE OF SERVICES TO BE PERFORMED BY CONSULTANT FOR RIVERA PARK.**

The Scope of Services to be performed by CONSULTANT, as set forth in the Agreement, shall be modified as follows:

Past and additional professional services as set forth in the Consultant's Proposal to City for Smith Park Renovation Project and Rio Vista Park Renovation Project dated December 19, 2013, attached hereto as Exhibit "A".

- 2. TIME OF COMPLETION OF MODIFIED WORK AND SERVICES.**

Consultant shall undertake and complete the modified work and services set forth in Exhibit "A", within upon issuance of Notice to Proceed. Notwithstanding any other provision of this Amendment No. 5, changes the Agreement (Article 3.4) end date to June 30, 2014.

**3. MODIFICATION OF CONSULTANT'S COMPENSATION.**

The additional compensation to be paid by CITY to CONSULTANT for the modified work and services for the Smith Park Renovation Project and Rio Vista Park Renovation Project, identified in this Amendment No. 5, shall be as follows:

Total additional compensation in accordance with the Consultant's Fee Proposals dated December 19, 2013 for a combined amount not-to-exceed \$100,780 (One Hundred Thousand Seven Hundred Eighty Dollars and No Cents) attached hereto as Exhibit "A".

**4. EFFECT OF AMENDMENTS.**

Except as modified herein, either expressly or by necessary implication, the terms and provisions of the Agreement between the CITY and CONSULTANT shall remain in full force and effect.

**5. EFFECTIVE DATE.**

Unless otherwise specified herein, this Amendment No. 5 shall become effective as of the date set forth below on which the last of the parties, whether CITY or CONSULTANT, executes this Amendment No. 5.

[End of Amendment No. 5. Signatures to follow.]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment No. 5 to be executed and attested by their respective officers hereunto duly authorized.

"CITY"  
CITY OF PICO RIVERA

\_\_\_\_\_  
Brent A. Tercero, Mayor

"CONSULTANT"  
HIRSCH & ASSOCIATES, INC.

  
\_\_\_\_\_  
Patrick L. Hirsch

Title: President

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

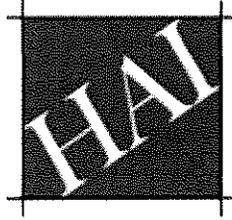
Dated: 12.31.13

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Anna M. Jerome, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney



**HIRSCH & ASSOCIATES, INC.**  
LANDSCAPE ARCHITECTURE & PLANNING

December 19, 2013

Mr. Rene Guerrero  
Assist City Engineer  
Public Works Department  
P O Box 1016  
6615 Passons Blvd  
Pico Rivera, CA 90660-1016

Re: Smith Park and Rio Vista Park  
Subject: Change Order Request

This Change Order addresses the additional services provide for Smith and Rio Vista Parks required during park construction from 6/28/13 to 11/29/13 as requested by the City of Pico Rivera that have not been previously paid.

Change Orders for Smith Park:

Re-route Sewer Line from Building B-1 to Sewer Lift Station .....	\$3,640.00
Preparation of ADA Temporary Path of Travel to Football Field .....	\$1,600.00
To allow a safe path to the field during construction.	
Irrigation Controller Change .....	\$3,540.00
Change controllers from Hydro Earth to Calsense, revise valve numbering and programming.	
Additional construction support services due to Construction Time Extension 6/28/13 to 9/27/13 (13 weeks @ \$1,940 per week) .....	\$15,132.00
Additional construction support services due to Construction Time Extension 9/27/13 to 11/29/13 (9 weeks @ \$1,940 per week) .....	\$17,460.00
Architectural Construction Support Services.....	\$607.60
Electrical Engineering Construction Support Services.....	\$418.60

Structural engineering services for light pole foundation changes .....\$600.00  
 Project close-out services.....\$5,000.00  
 Review punch list items as there completed by the Contractor  
 Subtotal .....\$47,998.20

Change Orders for Rio Vista Park:

Irrigation Controller Change .....\$1,560.00  
 Change controllers from Hydro Earth to Calsense, revise valve numbering  
 and programming.  
 Addition of a Sewer Lift Station due to elevation of existing gas main .....\$6,000.00  
 Additional construction support services due to Construction Time Extension  
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 Architectural Construction Support Services.....\$1,070.00  
 Electrical Engineering Construction Support Services .....\$432.00  
 Architectural services to change concession windows .....\$3,200.00  
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 Project close-out services.....\$5,000.00  
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 Subtotal .....\$52,782.00  
 Total .....\$100,780.20

Please contact me if you have any questions.

Respectfully Submitted,



Patrick L. Hirsch, President  
 Landscape Architect #1710, ASLA

**AMENDMENT NO. 5  
TO THE PROFESSIONAL SERVICES AGREEMENT  
WITH HIRSCH & ASSOCIATES, INC., AGREEMENT NO. 09-1131**

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"CONSULTANT"  
HIRSCH & ASSOCIATES, INC.

\_\_\_\_\_  
Brent A. Tercero, Mayor

  
\_\_\_\_\_  
Patrick L. Hirsch

Title: President

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

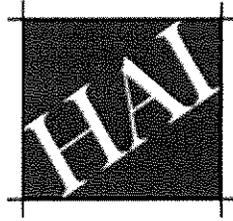
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**HIRSCH & ASSOCIATES, INC.**  
LANDSCAPE ARCHITECTURE & PLANNING

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Respectfully Submitted,



Patrick L. Hirsch, President  
 Landscape Architect #1710, ASLA



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** TELEGRAPH ROAD LANDSCAPE MEDIAN IMPROVEMENTS, CIP NO. 21232 - NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS

**Recommendation:**

- 1) Accept as complete, effective September 27, 2013, work performed by All American Asphalt on the Telegraph Road Landscape Median Improvements Project, CIP No. 21232, and instruct the City Clerk to file the Notice of Completion with the Los Angeles County Recorder;
- 2) Authorize the City Manager to approve contract change orders in the total amount of \$287,841 to pay for additional work performed on the project; and
- 3) Appropriate \$34,520 in Measure R funds to the Entrance Monuments Replacement Project, CIP No. 21255, as these funds have been approved by Metro for said project.

**Fiscal Impact:** \$900,000 (Highway Safety Improvement Program, Federal Grant Funds)  
\$428,415 (Proposition C, State Local Return Funds)  
\$219,520 (Measure R Funds)  
\$726,906 (City of Downey Funds)  
\$ 2,274,841 Total Construction Costs

**Discussion:**

The Telegraph Road Landscape Median Improvements Project (CIP No. 21232, Federal No. HSIPL-5351(022), EA 07-933969L) consists of infrastructure improvements on Telegraph Road, from Passons Boulevard to Rosemead/Lakewood Boulevard, within the cities of Pico Rivera and Downey. At its meeting of November 13, 2012, the City Council awarded a construction contract in the amount of \$2,098,000 to All American Asphalt for this project.

**Construction** – Construction is complete effective September 27, 2013 and the Notice of Completion can now be filed with the Los Angeles County Recorder. Work was performed with acceptable quality and workmanship, to the satisfaction of the City Engineer.

Highlights of construction include; (1) construction of landscape medians on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Boulevard, (2) pavement reconstruction in the City of Downey and road resurfacing in the City of Pico Rivera, (3) traffic signal modifications at Telegraph Road/Passons Boulevard and Telegraph Road/Serapis

COUNCIL AGENDA REPORT – MTG. OF 1/14/14  
TELEGRAPH ROAD LANDSCAPE MEDIAN IMPROVEMENTS, CIP NO. 21232  
NOTICE OF COMPLETION AND APPROVAL OF CHANGE ORDERS  
Page 2 of 2

Avenue to accommodate left-turn phasing for eastbound and westbound traffic, (4) artistic features involving landscape and hardscape in the medians by utilizing drought-tolerant plans; and construction of the entrance monuments.

**Contract Change Orders** – Several contract changes were necessary to complete construction. Contract changes primarily consisted of additional work and unforeseen conditions. Change order work was performed immediately to avoid delaying construction. The total amount in contract changes was \$287,841 of which Pico Rivera and Downey will pay \$262,509 and \$25,332 respectively. Of this amount, Pico Rivera’s share includes \$217,000 for the entrance monuments.

Enclosure No. 2 contains detailed information on the change orders. Highlights include; (1) a credit to the City in the amount of \$10,048 for contract work not performed by the contractor (e.g. installation of the entrance monument on Whittier Boulevard, work performed by SCE instead of the contractor, etc.), (2) a 29-month extension of landscape maintenance, a part of which was in lieu of \$65,000 in liquidated damages, (3) \$80,889 in unforeseen conditions (e.g. repair of a sink hole, temporary signing and striping, change design to cantilever foundations, etc.) and additional work (e.g. additional paving, landscaping, luminaires, driveway reconstruction, etc.) and (4) entrance monuments (\$217,000). Some of the contract changes were requested by and will be paid for by the City of Downey.

**Budget** – The Telegraph Road Landscape Median Improvements Project is a multi-agency project between the Cities of Pico Rivera and Downey. According to the Memorandum of Understanding, each City is responsible for the cost of the actual improvements constructed in their City.

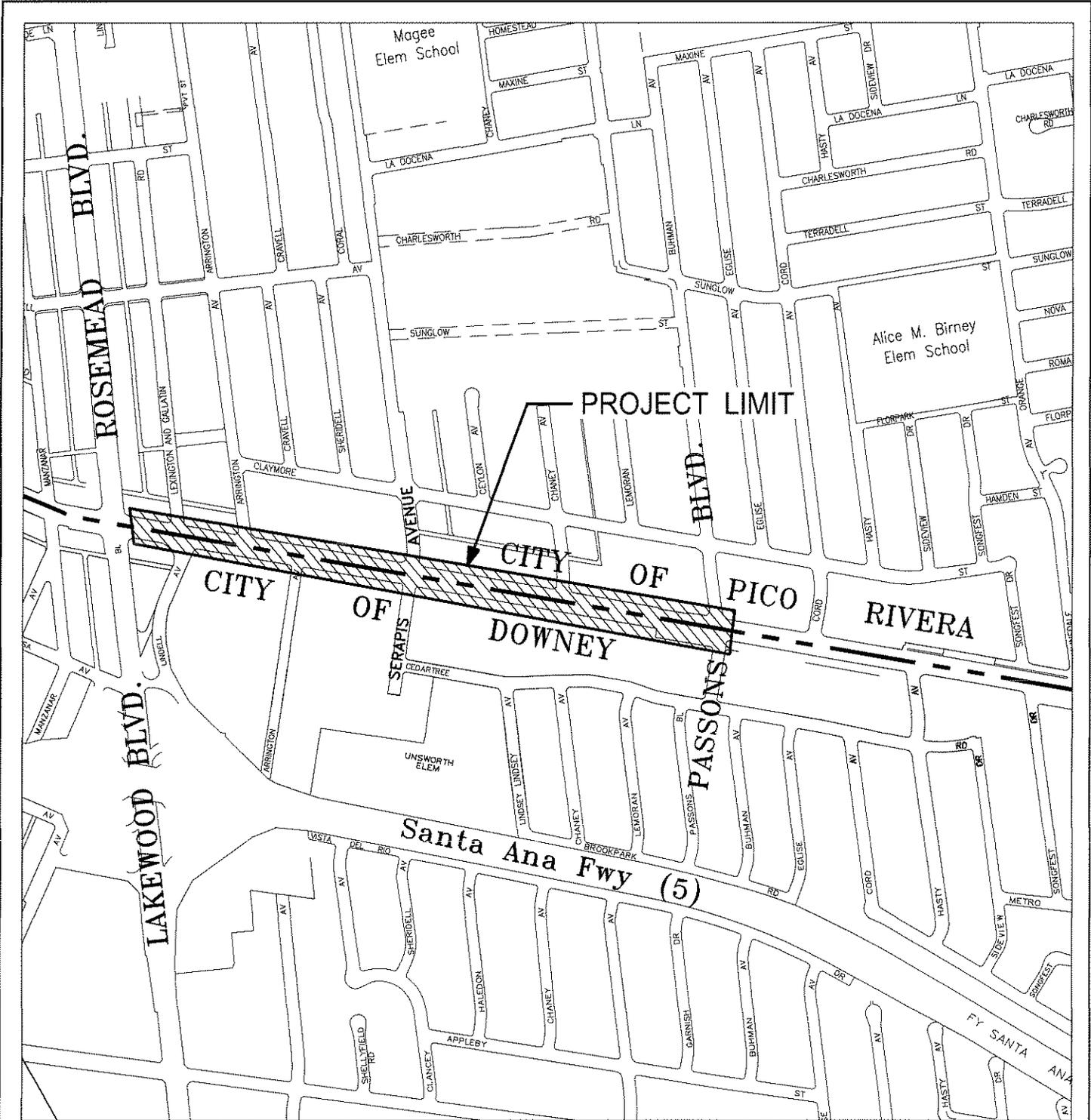
The total contract amount was \$2,385,841 inclusive of the change orders; however, the contract amount was reduced by \$111,000 because the City of Downey removed the Lakewood Boulevard Improvements from the original contract. Therefore, the final contract amount was \$2,274,841. The final cost for the Cities of Pico Rivera and Downey are \$1,097,935 and \$1,176,906 respectively. These figures have been agreed to by each City’s engineering representative. The City’s share will be paid for with HSIP (\$450,000), Proposition C (\$428,415) and Measure R (\$219,520), all of which are grant funds or restricted funds.

  
Ronald Bafes

RRB:AC:JL:lg

Enc.

- 1) Location Map
- 2) Summary of Change Orders
- 3) Landscape Maintenance Agreement



LOCATION MAP

NTS

LEGEND:

--- CITY BOUNDARY



NOT TO SCALE



CITY OF PICO RIVERA

DEPARTMENT OF PUBLIC WORKS - ENGINEERING DIVISION

TELEGRAPH RD. - RAISED MEDIAN IMPROVEMENT

PREPARED BY: M. NGUYEN

SCALE: NOT TO SCALE

DATE: 12-11-13

**TELEGRAPH ROAD LANDSCAPE MEDIAN IMPROVEMENT PROJECT**  
**CIP NO. 21232**

Enclosure No. 2

**CHANGE ORDER SUMMARY SHEET**

Change Order No.	Description	Cost	Pico Rivera	Downey
1	Fabrication and installation of seven entrance monument signs.	\$ 217,000.00	\$ 217,000.00	\$ -
2	Temporary pavement striping.	\$ 2,680.00	\$ 1,345.00	\$ 1,345.00
3	Furnish 8" white ceramic raised pavement marker.	\$ 2,891.00	\$ -	\$ 2,891.00
4	Reconstruction of driveway approaches.	\$ 7,161.00	\$ -	\$ 7,161.00
5	Time extension for extra concrete work.	\$ -	\$ -	\$ -
6	Unit price adjustment for cross gutters and spandrels.	\$ -	\$ -	\$ -
7	Installation of 2 additional luminaires.	\$ 3,000.81	\$ 1,500.41	\$ 1,500.41
8	Cantilever signal foundations.	\$ 10,827.07	\$ 5,413.54	\$ 5,413.54
9	Installation of "COMMUNICATION" pull box lids	\$ 180.00	\$ 90.00	\$ 90.00
10	Credit for SCE design of irrigation meter pedestal	\$ (2,246.45)	\$ (2,246.45)	\$ -
11	Credit for testing of 332 traffic signal cabinets	\$ (2,800.00)	\$ -	\$ (2,800.00)
12	Relocation of tree wells.	\$ 896.27	\$ 448.14	\$ 448.14
13	Overlay of asphalt around new spandrels and cross gutters at Serapis, Chaney, and Passons.	\$ 27,376.29	\$ 27,376.29	\$ -
14	Repair of sink hole at Rosemead and Rex.	\$ 5,972.92	\$ 5,972.92	\$ -
15	Lindell median landscaping.	\$ 5,039.56	\$ 2,519.78	\$ 2,519.78
16	Additional signing and striping.	\$ 13,525.49	\$ 7,426.45	\$ 6,099.04
17	Credit for non installation of Whittier West entrance monument.	\$ (5,001.44)	\$ (5,001.44)	\$ -
18	Time extension for energizing irrigation pedestal.	\$ -	\$ -	\$ -
19	9-month of additional landscape maintenance extension due to soil amending problems.	\$ -	\$ -	\$ -
20	17-month of additional landscape maintenance extension in exchange for 65 days liquidated damages.	\$ -	\$ -	\$ -
21	Total Over/Under runs	\$ 1,328.21	\$ 664.11	\$ 664.11
<b>TOTAL</b>		<b>\$ 287,840.73</b>	<b>\$ 262,508.73</b>	<b>\$ 25,332.00</b>

AGREEMENT NO. \_\_\_\_\_

**AGREEMENT FOR EXTENDED LANDSCAPE MAINTENANCE  
ON TELEGRAPH BOULEVARD**

**THIS Agreement** (hereinafter referred to as "Agreement") by and between the CITY OF PICO RIVERA, (hereinafter referred to as the "City") and All American Asphalt, (hereinafter referred to as the "Contractor") is effective as of the 15th day of January 2014.

**RECITALS**

**WHEREAS**, the City desires to engage the Contractor to perform landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard;

**WHEREAS**, the Contractor represents to the City that the Contractor has the necessary skill, experience, and expertise to provide landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard;

**WHEREAS**, the principal representative is authorized to enter into this Agreement on behalf of the Contractor and the Contractor is willing to perform such services under this Agreement; and

**WHEREAS**, the City and the Contractor (hereinafter referred to jointly as the "Parties" or individually as a "Party") desire to enter into this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained in this Agreement, the Parties agree as follows:

**RETENTION.** The City retains the Contractor to provide landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard.

1. The Contractor accepts the employment and agrees to render such services on the terms and conditions stated in this Agreement.

2. **INDEPENDENT CONTRACTOR.** The Contractor is an independent contractor. As such, the Contractor shall have no power or authority to incur any debt,

AGREEMENT NO. \_\_\_\_\_

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obligation or liability on behalf of the City. Further, the Contractor is not entitled to any benefit typically associated with an employee, such as medical, sick leave or vacation benefit.

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

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

4. **SCOPE OF SERVICES.** The scope of the Contractor's services are set forth in Exhibit "A" which is attached to this Agreement.

5. **COMPENSATION.** The City agrees not to enforce the \$65,000 in liquidated damages in lieu of 29 months of landscape maintenance services. Services to pay the Contractor for the above-stated services, as set forth in change order no. 20 of the Telegraph Road Landscape Improvements Project.

6. **TERM.** The term of this Agreement shall commence on January 15, 2014 and shall continue until June 15, 2016.

7. **INDEMNITY AND INSURANCE**

A. **INDEMNITY.** Contractor hereby agrees to protect, indemnify and hold the City and its employees, officers and servants free and harmless from any and all losses, claims, liens, demands and causes of action of every kind and character including, but not limited to, the amounts of judgment, interests, court costs, legal fees and other expenses incurred by the City arising in favor of any party, including claims, liens, debts, personal injuries, including employees of the City, death or damages to property (including property of the City) and without limitation by enumeration, all other claims or demands of every character occurring or arising directly out of the negligent acts, errors or omissions by the Contractor in the performance of its services under this Agreement, except only such injury to persons or damage to property due or

claimed to be due to the sole negligence of the City. This provision is not intended to create any cause of action in favor of any third party against the Contractor or the City or to enlarge in any way the Contractor's liability but is intended solely to provide for indemnification of the City for liability for damages or injuries to third persons or property arising from Contractor's negligent performance hereunder.

- B. **INSURANCE.** The Contractor shall maintain throughout the duration of the term of the Agreement, liability insurance covering the Contractor and designating the City (including its elected or appointed officials, directors, officers, agents, employees, volunteers or consultants) as Additional Insured against any and all claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of the Contractor's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that the Contractor's insurance policies shall be primary as respects any claims related to or as the result of the Contractor's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or contractors shall be non-contributory.

**General Liability:**

- |                                                      |                              |
|------------------------------------------------------|------------------------------|
| a. General Aggregate                                 | \$1,000,000                  |
| b. Bodily Injury/Personal Injury<br>/Property Damage | \$1,000,000 (per occurrence) |

**Workers' Compensation:**

- |                          |                  |
|--------------------------|------------------|
| a. Workers' Compensation | Statutory Limits |
|--------------------------|------------------|

**Automobile Liability:**

- |                                       |                              |
|---------------------------------------|------------------------------|
| a. Any vehicle, combined single limit | \$1,000,000 (per occurrence) |
|---------------------------------------|------------------------------|

The Contractor shall provide thirty (30) days advance notice to the City in the event of material changes or cancellation of any coverage. Certificates of insurance and additional insured endorsements shall be furnished to the City prior to the Contractor's performance of this Agreement. Refusal to submit such certificates shall constitute a material breach of this Agreement entitling the City to any and all remedies at law or in equity, including termination of this Agreement. If proof of insurance required, under this Agreement is not delivered as required or if such insurance is canceled and not adequately replaced, the City shall have the right, but not the duty, to obtain replacement insurance and to charge the Contractor for any premium due for such coverage. The City has the option to deduct any such premium from the sums due to the Contractor.

Insurance is to be placed with insurers authorized and admitted to write insurance in California and with a current AM Best's rating of A-:VII or better. Acceptance of insurance from a carrier with a rating lower than A-:VII is subject to approval of the City's Risk Manager. The Contractor shall immediately advise the City of any litigation that may affect these insurance policies.

8. **INSPECTION OF DOCUMENTATION.** All reports, documents or other written material developed by the Contractor in the performance of this Agreement shall be subject to the City's inspection at any time and the City has the right to make copies of the same.

9. **TERMINATION FOR CONVENIENCE.** Either the City or the Contractor may terminate this Agreement at any time without cause by giving thirty (30) calendar days written notice to the other of such termination and specifying the effective termination date. If this Agreement is terminated as provided herein, the Contractor will be paid a total amount equal to the service he has provided as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.

10. **NOTICE OF DEFAULT and TERMINATION FOR CAUSE.** If for any reason the Contractor shall fail to fulfill in a timely and proper manner its obligation under this Agreement, or the Contractor has violated any of the covenants, conditions or stipulations of this Agreement, the City shall then provide notice to the Contractor, setting forth the covenants, conditions, or stipulations of this Agreement which are then in breach. The Contractor shall then have ten (10) days (or a longer period if granted by the City) to cure the covenants, conditions, or stipulations expressed in the City's written notice. If the Contractor fails to cure and bring into compliance all terms specified, the City shall then have the right to terminate this Agreement without further notice to the Contractor. The notice shall refer to this clause, specify the nature of the alleged default, and shall specify the effective date of the termination in the event that breach does lead to termination. The Contractor will be paid a total amount equal to the service he has provided as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.

11. **REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICE.** The representative of the parties who are primarily responsible for the administration of the Agreement, and to whom formal notice, demands and communications shall be given, are as follows:

A. The principal representative of the City shall be:

City Manager  
City of Pico Rivera  
PO Box 1016  
6615 Passons Boulevard

Pico Rivera, California 90660-1016

With a courtesy copy to the City Attorney:

Arnold M. Alvarez-Glasman  
Alvarez-Glasman & Colvin  
13181 Crossroads Parkway North  
Suite 400 – West Tower  
City of Industry, California 91746

- B. The principal representative of the Contractor shall be:

Robert Bradley, Vice President  
All American Asphalt  
400 E. Sixth Street  
Corona, CA 92878-2229

- C. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by mail.
- D. If the name of the principal representative designated to receive the notices, demands or communications, or the address of such person, is changed, written notice shall be given within five (5) working days of said changes.

12. **NON-EXCLUSIVE CLAUSE.** The City does not warrant to contract exclusively with a single contractor to perform landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard.

13. **ASSIGNMENT AND SUBCONTRACTING.** Neither Party shall assign or subcontract the rights or responsibilities under this Agreement without the express, written consent of the other Party, which may be withheld for any reason or for no reason.

14. **WARRANTY.** The Contractor warrants that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily provided by an experienced and competent professional organization rendering the same or similar services. The Contractor shall re-perform any of said services, which are not in conformity with standards as determined by the City. The Contractor will be relieved of its obligation to re-perform said services if the City does not notify the Contractor within thirty (30) days after the completion of the non-conforming service. Compensation for the Contractor to re-perform said services shall be subject to the approval of the City, but in no event shall such compensation exceed the actual cost of said services. Except as herein provided, with respect to personal

injury or property damage, the foregoing are the Contractor's entire responsibilities and the City's exclusive remedies for service rendered or to be rendered hereunder, and no other warranties, guarantees, liabilities, or obligations are to be implied.

15. **RESOLUTION OF DISPUTES.**

- A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties.
- B. If any action, at law or in equity, is brought to enforce or to interpret any provisions of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

16. **FORCE MAJEURE.** The respective duties and obligations of the Parties hereunder shall be suspended while and so long as performance hereto is prevented or impeded by strikes, disturbances, riots, fire, severe weather, government action, war acts, acts of God, or any other cause similar or dissimilar to the foregoing which are beyond the control of the party from whom the affected performance was due.

17. **NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.** In the performance of this Agreement, the Contractor shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age physical or mental handicap, medical condition, or sexual orientation. The Contractor 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, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

18. **SEVERABILITY.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions nevertheless will continue in full force and effect without being impaired or invalidated in any way.

19. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

20. **ENTIRE AGREEMENT.** This Agreement, together with Exhibits "A" and "B" supersede any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement

acknowledges that no representation by any party, which is not embodied herein, nor any other agreement, statement or promise not contained in this Agreement shall be valid and binding. Any modification of the Agreement shall be effective only if it is in writing and signed by all parties.

21. **NONWAIVER OF TERMS, RIGHTS AND REMEDIES.** Waiver by either Party of any conditions of performance shall not be a waiver of any other condition of performance. The City's payment to the Contractor shall not constitute a waiver of any breach or any default which may then exist on the part of the Contractor.

22. **HEADINGS.** Paragraph headings are only for convenience and shall not be used to construe meaning or intent.

23. **NO CONSTRUCTION OF AGREEMENT AGAINST ANY PARTY.** Each Party has cooperated in the drafting and preparation of this Agreement. Therefore, this Agreement shall not be construed against any Party on the basis such Party drafted this Agreement or any provision within it.

24. **EXHIBITS.** All exhibits are incorporated in to this Agreement by reference.

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

[Signatures follow.]

"CITY"  
CITY OF PICO RIVERA

"CONTRACTOR"  
ALL AMERICAN ASPHALT

\_\_\_\_\_  
Ronald Bates, Ph.D., City Manager

  
\_\_\_\_\_  
Robert Bradley, Vice President

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

Dated: January 6, 2014

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Daryl A. Betancur, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney





December 12, 2013

Exhibit "A"

All American Asphalt  
P.O. Box 2229  
Corona, CA 92878

*Attn: Cody Gawryluk*

Re: Telegraph Road / Pico Rivera- Maintenance details

Cody,

Kato Landscape, Inc. shall provide landscape maintenance for the Telegraph Road project according but not limited to the following specifications:

- Site maintenance on a weekly basis
- Trash / debris pick up weekly
- Monitor, repair and adjust as necessary
- Maintain/trim groundcovers as necessary
- Weed control as necessary to provide a weed free condition.
- Turf maintenance
- Mow / edge turf bi-weekly or as necessary. Weekly mowing may be required during growing seasons
- Turf fertilization as necessary and per latest Wallace soils report.
- Rose maintenance
- Low growing roses maintained as groundcover deadheading as necessary.
- Upright roses cut back 1x per year or as necessary upon recommendation by City representative
- Rose fertilization as necessary and per latest Wallace soils report
  - Additional soils reports not included in these specifications
- Tree maintenance done as necessary
- Broken branches hanging palm fronds to be removed upon inspection and reported to a City representative.
- Pruning to be done 1x per year as necessary
- Normal insecticide / fungicide / herbicide service provided, will notify City representative prior to application.
- Mulch to be provided only as requested at an additional materials / labor costs
- Car accident repairs and replacement, vandalism are not included in this proposal but reported immediately upon discovery to City representative.
- Contractor's representative shall make regular frequent site inspections. Both parties have the option to terminate upon agreement at any time with cause by a written 30 day notice.
- Regular inspection by City and Kato representative upon request.

Should you have any questions, please let us know.

Thank you.  
Randy Kato

AGREEMENT NO. \_\_\_\_\_

**AGREEMENT FOR EXTENDED LANDSCAPE MAINTENANCE  
ON TELEGRAPH BOULEVARD**

**THIS Agreement** (hereinafter referred to as "Agreement") by and between the CITY OF PICO RIVERA, (hereinafter referred to as the "City") and All American Asphalt, (hereinafter referred to as the "Contractor") is effective as of the 15th day of January 2014.

**RECITALS**

**WHEREAS**, the City desires to engage the Contractor to perform landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard;

**WHEREAS**, the Contractor represents to the City that the Contractor has the necessary skill, experience, and expertise to provide landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard;

**WHEREAS**, the principal representative is authorized to enter into this Agreement on behalf of the Contractor and the Contractor is willing to perform such services under this Agreement; and

**WHEREAS**, the City and the Contractor (hereinafter referred to jointly as the "Parties" or individually as a "Party") desire to enter into this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained in this Agreement, the Parties agree as follows:

**RETENTION.** The City retains the Contractor to provide landscape maintenance services on Telegraph Road from Passons Boulevard to Rosemead Boulevard/Lakewood Avenue and the south entrance monument on Rosemead Boulevard.

1. The Contractor accepts the employment and agrees to render such services on the terms and conditions stated in this Agreement.

2. **INDEPENDENT CONTRACTOR.** The Contractor is an independent contractor. As such, the Contractor shall have no power or authority to incur any debt,

obligation or liability on behalf of the City. Further, the Contractor is not entitled to any benefit typically associated with an employee, such as medical, sick leave or vacation benefit.

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

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

4. **SCOPE OF SERVICES.** The scope of the Contractor's services are set forth in Exhibit "A" which is attached to this Agreement.

5. **COMPENSATION.** The City agrees not to enforce the \$65,000 in liquidated damages in lieu of 29 months of landscape maintenance services. Services to pay the Contractor for the above-stated services, as set forth in change order no. 20 of the Telegraph Road Landscape Improvements Project.

6. **TERM.** The term of this Agreement shall commence on January 15, 2014 and shall continue until June 15, 2016.

7. **INDEMNITY AND INSURANCE**

A. **INDEMNITY.** Contractor hereby agrees to protect, indemnify and hold the City and its employees, officers and servants free and harmless from any and all losses, claims, liens, demands and causes of action of every kind and character including, but not limited to, the amounts of judgment, interests, court costs, legal fees and other expenses incurred by the City arising in favor of any party, including claims, liens, debts, personal injuries, including employees of the City, death or damages to property (including property of the City) and without limitation by enumeration, all other claims or demands of every character occurring or arising directly out of the negligent acts, errors or omissions by the Contractor in the performance of its services under this Agreement, except only such injury to persons or damage to property due or

claimed to be due to the sole negligence of the City. This provision is not intended to create any cause of action in favor of any third party against the Contractor or the City or to enlarge in any way the Contractor's liability but is intended solely to provide for indemnification of the City for liability for damages or injuries to third persons or property arising from Contractor's negligent performance hereunder.

- B. **INSURANCE.** The Contractor shall maintain throughout the duration of the term of the Agreement, liability insurance covering the Contractor and designating the City (including its elected or appointed officials, directors, officers, agents, employees, volunteers or consultants) as Additional Insured against any and all claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of the Contractor's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that the Contractor's insurance policies shall be primary as respects any claims related to or as the result of the Contractor's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or contractors shall be non-contributory.

**General Liability:**

- |                                                      |                              |
|------------------------------------------------------|------------------------------|
| a. General Aggregate                                 | \$1,000,000                  |
| b. Bodily Injury/Personal Injury<br>/Property Damage | \$1,000,000 (per occurrence) |

**Workers' Compensation:**

- |                          |                  |
|--------------------------|------------------|
| a. Workers' Compensation | Statutory Limits |
|--------------------------|------------------|

**Automobile Liability:**

- |                                       |                              |
|---------------------------------------|------------------------------|
| a. Any vehicle, combined single limit | \$1,000,000 (per occurrence) |
|---------------------------------------|------------------------------|

The Contractor shall provide thirty (30) days advance notice to the City in the event of material changes or cancellation of any coverage. Certificates of insurance and additional insured endorsements shall be furnished to the City prior to the Contractor's performance of this Agreement. Refusal to submit such certificates shall constitute a material breach of this Agreement entitling the City to any and all remedies at law or in equity, including termination of this Agreement. If proof of insurance required, under this Agreement is not delivered as required or if such insurance is canceled and not adequately replaced, the City shall have the right, but not the duty, to obtain replacement insurance and to charge the Contractor for any premium due for such coverage. The City has the option to deduct any such premium from the sums due to the Contractor.

Insurance is to be placed with insurers authorized and admitted to write insurance in California and with a current AM Best's rating of A-:VII or better. Acceptance of insurance from a carrier with a rating lower than A-:VII is subject to approval of the City's Risk Manager. The Contractor shall immediately advise the City of any litigation that may affect these insurance policies.

8. **INSPECTION OF DOCUMENTATION.** All reports, documents or other written material developed by the Contractor in the performance of this Agreement shall be subject to the City's inspection at any time and the City has the right to make copies of the same.

9. **TERMINATION FOR CONVENIENCE.** Either the City or the Contractor may terminate this Agreement at any time without cause by giving thirty (30) calendar days written notice to the other of such termination and specifying the effective termination date. If this Agreement is terminated as provided herein, the Contractor will be paid a total amount equal to the service he has provided as of the termination date. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Agreement.

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With a courtesy copy to the City Attorney:

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Alvarez-Glasman & Colvin  
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Suite 400 – West Tower  
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All American Asphalt  
400 E. Sixth Street  
Corona, CA 92878-2229

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injury or property damage, the foregoing are the Contractor's entire responsibilities and the City's exclusive remedies for service rendered or to be rendered hereunder, and no other warranties, guarantees, liabilities, or obligations are to be implied.

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**17. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.** In the performance of this Agreement, the Contractor shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age physical or mental handicap, medical condition, or sexual orientation. The Contractor 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, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

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**20. ENTIRE AGREEMENT.** This Agreement, together with Exhibits "A" and "B" supersede any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement

acknowledges that no representation by any party, which is not embodied herein, nor any other agreement, statement or promise not contained in this Agreement shall be valid and binding. Any modification of the Agreement shall be effective only if it is in writing and signed by all parties.

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24. **EXHIBITS.** All exhibits are incorporated in to this Agreement by reference.

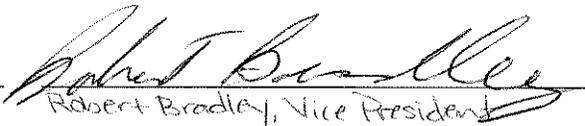
**IN WITNESS WHEREOF,** the Parties hereto have caused this Agreement to be executed and attested by their respective officers hereunto duly authorized.

[Signatures follow.]

"CITY"  
CITY OF PICO RIVERA

"CONTRACTOR"  
ALL AMERICAN ASPHALT

\_\_\_\_\_  
Ronald Bates, Ph.D., City Manager

  
Robert Bradley, Vice President

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

Dated: January 6, 2014

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Daryl A. Betancur, City Clerk

\_\_\_\_\_  
Arnold M. Alvarez-Glasman, City Attorney





December 12, 2013

**Exhibit "A"**

All American Asphalt  
P.O. Box 2229  
Corona, CA 92878

*Attn: Cody Gawryluk*

Re: Telegraph Road / Pico Rivera- Maintenance details

Cody,

Kato Landscape, Inc. shall provide landscape maintenance for the Telegraph Road project according but not limited to the following specifications:

- Site maintenance on a weekly basis
- Trash / debris pick up weekly
- Monitor, repair and adjust as necessary
- Maintain/trim groundcovers as necessary
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- Turf maintenance
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- Broken branches hanging palm fronds to be removed upon inspection and reported to a City representative.
- Pruning to be done 1x per year as necessary
- Normal insecticide / fungicide / herbicide service provided, will notify City representative prior to application.
- Mulch to be provided only as requested at an additional materials / labor costs
- Car accident repairs and replacement, vandalism are not included in this proposal but reported immediately upon discovery to City representative.
- Contractor's representative shall make regular frequent site inspections. Both parties have the option to terminate upon agreement at any time with cause by a written 30 day notice.
- Regular inspection by City and Kato representative upon request.

Should you have any questions, please let us know.

Thank you.  
Randy Kato



**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** January 14, 2014

**Subject:** COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2013; APPROPRIATIONS LIMIT CALCULATION AND AUDIT LETTERS FOR FISCAL YEAR ENDING JUNE 30, 2013.

**Recommendation:**

Receive and file:

1. The Comprehensive Annual Financial Report for fiscal year ending June 30, 2013.
2. The Appropriations Limit Calculation for fiscal year ending June 30, 2013.
3. The Government Auditing Standards Letter for fiscal year ending June 30, 2013.
4. The Audit Committee Letter for fiscal year ending June 30, 2013.

**Fiscal Impact:**

None.

**Discussion:**

**Comprehensive Annual Financial Report (CAFR)**

The annual CAFR provides a financial summary of the financial statements of the City of Pico Rivera and all component units, including the Housing Authority, Water Authority, and the Successor Agency. Major sections of the CAFR are the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Sections includes the City Manager's transmittal letter that reviews the activities of the past year, addresses policy and issues as they relate to the City's future. The Financial Section presents the Management Discussion and Analysis (MD&A) of the activities of the past

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2013; APPROPRIATIONS LIMIT CALCULATION AND AUDIT LETTERS FOR FISCAL YEAR ENDING JUNE 30, 2013.

Page 2 of 2

year and financial schedules at the entity-wide and fund level. The Statistical Section presents information that assists the reader with understanding the City's economic environment and financial trends.

The audit firm of White Nelson Diehl Evans, issued an unqualified opinion on the financial statements, signifying that the auditors approve the financial statements.

**Appropriations Limit**

There were no negative findings in the Appropriations Limit Calculation review. The auditors have verified the accuracy of the spending limit as calculated by staff for June 30, 2013.

**Government Auditing Standards (GAS) Letter**

The Government Auditing Standards Letter for June 30, 2013 is an auditor's report on internal control over financial reporting and on compliance in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The auditors had no negative findings to report.

**Audit Committee Letter**

The Audit Committee Letter for June 30, 2013 is required by professional auditing standards. There are no material matters on the Audit Committee Letter.

nn 

Ronald Bates

RB:MM:CO

- Attachment 1 - Comprehensive Annual Financial Report
- Attachment 2 - Appropriations Limit Calculation
- Attachment 3 - Government Auditing Standards Letter
- Attachment 4 - Audit Committee Letter

# CITY OF PICO RIVERA CALIFORNIA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013



CITY OF PICO RIVERA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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CITY OF PICO RIVERA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **INTRODUCTORY SECTION**

Pico Rivera Water Authority  
Pico Rivera Housing Assistance Agency  
Pico Rivera Public Financing Authority  
Successor Agency (formerly the Redevelopment Agency)

Pico Rivera is a general law city and operates under a Council-Manager form of government. The City provides a full range of municipal services including public works, water, storm drainage, construction and maintenance of roads and highways, planning and zoning, recreation and cultural activities, and general administrative support. Police, fire, sewer and library services are provided by Los Angeles County. The services provided by the Pico Rivera Housing Assistance Agency include low-moderate income housing assistance.

### **Economic Condition and Outlook**

For the past few years, the General Fund has drawn on reserves to balance the budget. The City Council directed that the fiscal year 2013-14 budget include a draw on reserves of approximately \$400,000. This is an improvement over the prior year where the City utilized reserves of just under \$1 million. Council directed that the fiscal year 2014-15 budget be balanced without the use of reserves.

The local economy is doing well and is recovering from the Great Recession. The mid-year budget will be completed in February, but revenues are ahead of schedule as of December 2013. One of the most significant increases in revenues is sales tax. Property tax is expected to remain steady.

The City has been active in applying for federal and state grants as well as renewing existing grants. Knowing that some grant funding from the State and the Federal may face cuts, the City will still continue its efforts to boost revenue resources and recover costs more efficiently wherever possible.

### **City Accomplishments and Initiatives**

As one fiscal year finishes and we look ahead to the next fiscal year, the City of Pico Rivera accomplished and enjoyed a successful year of projects and fiscal responsibility.

After two years of construction, the \$43.5 million Passons Boulevard Underpass project was completed last December. The underpass allows for thousands of vehicles and hundreds of pedestrians to safely pass through the Passons Boulevard crossing without having to wait for or look for oncoming train traffic. The entire project was funded by state and federal funds.

With the Passons Boulevard Underpass Project completed, the focus shifted to the improvement of Telegraph Road from Passons Boulevard to Rosemead/Lakewood Boulevards. Through a joint effort between the City of Pico Rivera and the City of Downey, the project included the construction of landscaped medians, pavement rehabilitation, traffic signal upgrades and the reconstructing of deteriorated curbs and gutters, sidewalks and driveway approaches. The project was completed during 2013. The joint project was funded with an approximate total of \$900,000 in federal Highway Safety Improvement Program funds and \$389,000 in Prop C funds.

One of the City's more ambitious projects, the Parks Renovation Project, continued with the renovations of Smith Park and Rio Vista Parks. Both projects started at the beginning of the fiscal year and construction was recently completed. The turf needs to grow and become established before the ball fields at Smith Park and Rio Vista Park will be available for use. Both parks will be available before the next baseball season. Because of the City's ongoing efforts to provide and improve play space, the City

See Management's Discussion and Analysis for additional information

CITY OF PICO RIVERA				
SCHEDULE OF GRANT REVENUE & EXPENDITURES				
As of June 30, 2013				
	Federal Grants	State Grants	Local Grants	Grand Total
<b>GRANT ENTITLEMENT AMOUNT</b>	<b>\$ 12,171,453</b>	<b>\$ 20,011,436</b>	<b>\$ 2,496,225</b>	<b>\$ 34,679,114</b>
Revenue Received/Recognized in 2012-13	6,926,194	5,467,548	2,769,574	15,163,316
Plus Current Year Revenue Accrual	745,234	245,404	22,708	1,013,346
<b>Adjusted 2012-13 Grant Revenue</b>	<b>7,671,428</b>	<b>5,712,952</b>	<b>2,792,282</b>	<b>16,176,662</b>
<b>Detail Of Program and Other Related Revenues</b>				
Interest Income	68,205	4,180	10,976	83,361
Miscellaneous Revenues	4,198	1,963	-	6,161
Portability In Revenue	5,746	-	-	5,746
Sale Of Real Or Personal Property	205,756	-	-	205,756
Cost Reimbursement	-	37,859	63,548	101,407
<b>Total Program and Other Related Revenues</b>	<b>283,905</b>	<b>44,002</b>	<b>74,524</b>	<b>402,431</b>
<b>Total Grant Revenue from All Sources</b>	<b>7,955,333</b>	<b>5,756,954</b>	<b>2,866,806</b>	<b>16,579,093</b>
Reimbursable Expenditures	7,978,067	5,691,224	2,149,900	15,819,191
<b>Adjusted 2012-13 Grant Expenditures</b>	<b>7,978,067</b>	<b>5,691,224</b>	<b>2,149,900</b>	<b>15,819,191</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>\$ (22,734)</b>	<b>\$ 65,730</b>	<b>\$ 716,906</b>	<b>\$ 759,902</b>

### Internal Controls

Management of the City of Pico Rivera is responsible for establishing and maintaining a system of internal controls. In developing and evaluating the City's accounting systems, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss, theft or misuse from unauthorized use or disposition and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived from the control. We believe that the City's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### Financial Reporting

This is the eleventh year the City's Comprehensive Annual Financial Report is prepared in conformance with the governmental financial reporting model established by the Governmental Accounting Standards Board's (GASB) Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis – for State and Local Governments* and this is the second year for GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 34 represents a fundamental revision of governmental financial reporting model. One of the major changes is the presentation of two kinds of financial statements: Government-wide statements and Fund Statements.

See Management's Discussion and Analysis for additional information

**CITY OF PICO RIVERA**

**CITY OFFICIALS**

**June 30, 2013**

**City Council**

**Gustavo V. Camacho, Mayor**

**Brent A. Tercero, Mayor Pro Tem**

**Bob J. Archuleta, Councilmember**

**David W. Armenta, Councilmember**

**Gregory Salcido, Councilmember**

**Administration and Department Heads**

**City Manager**

**Ronald Bates, Ph.D.**

**Assistant City Manager/Finance Director**

**Michael Matsumoto**

**City Clerk**

**Anna Jerome**

**Public Works Director**

**Art Cervantes**

**Parks and Recreation Director**

**Sandra Gonzalez**

**Community & Economic Development Director**

**Benjamin Martinez**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Pico Rivera  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**WHITE NELSON DIEHL EVANS LLP**  
Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT**

Honorable City Council  
of the City of Pico Rivera  
Pico Rivera, 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 the City of Pico Rivera (the City), as of and for the year ended June 30, 2013, 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 basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the City'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 City'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.

## **Other Matters (Continued)**

### *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, combining statements and individual fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund schedules, as listed in the table of contents, 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 statements and individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*  
Irvine, California  
December 23, 2013

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

This section of the City's Comprehensive Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the City's financial statements.

**FINANCIAL HIGHLIGHTS**

City Funds as a whole added to reserves this year including the General Fund. As discussed in last year's financial report, City Management has examined staffing levels, operating costs and revenue streams and implemented plans to achieve a long-term sustainable operation. The comparisons in the discussion and analysis below are between FY 2011-12 and FY 2012-13. All increases and decreases are expressed relative to FY 2011-12 amounts and are discussed below and on following pages of this discussion and analysis.

**Citywide**

- The City's total net position decreased by \$3,111,561 to \$296,931,234. Of this amount, there was a decrease in total assets from \$412,274,202 to \$407,910,108, a decrease of \$4,364,094, and a decrease in total liabilities from \$112,231,407 to \$110,978,874, a decrease of \$1,252,533.
- Citywide revenues totaled \$65,516,710 a decrease of \$8,204,158 over the prior year. Operating expenses were \$55,301,837 a decrease of \$9,185,823 over the prior year.
- Citywide capital assets, before depreciation, increased by \$18,490,896 to \$431,287,790. This increase is due to the extensive street and park construction projects.

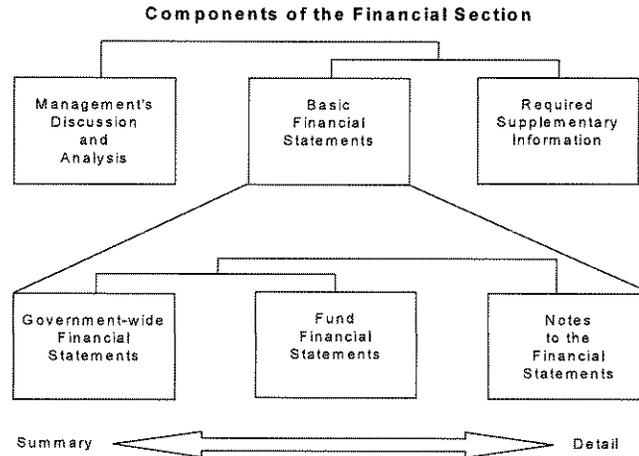
**Fund Level – Governmental Funds**

- Governmental Fund revenues (excluding Other Financing Sources) decreased by \$8,295,398 to \$55,253,764. This decrease is primarily due to decreases in federal and state capital construction grant proceeds.
- Governmental Fund operating expenditures (excluding Other Financing Sources) decreased by \$10,915,113 to \$60,490,836. This decrease is comprised of the following items; \$2,440,863 in pass through expenditures in the prior year that did not occur in the current year, a \$2,377,306 decrease in capital outlay, a \$1,934,140 decrease in debt service payments, a \$1,614,268 decrease in public works expenditures, a \$1,122,270 decrease in general government expenditures, a \$945,940 decrease in community development expenditures, a \$704,211 decrease in parks and recreation expenditures, and a \$27,259 decrease in health and welfare expenditures. These decreases were partially offset by a \$251,144 increase in public safety expenditures.
- General Fund revenues were \$34,878,854, an increase of \$2,283,086 over the prior year. There were increases in taxes and assessments, intergovernmental and miscellaneous which are partially offset by decreases in licenses and permits, charges for service, fines & forfeitures and investments.

See independent auditors' report

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

basic financial statements are comprised of three components: (1) government-wide financial statements (2) fund financial statements and (3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.



**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a business in private-sector.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Net position is then shown as restricted or unrestricted. Over time, increases or decreases in the net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, public works, community development, recreation, non-departmental, and interest on long-term debt.

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate entities, the Pico Rivera Public Financing Authority, the Pico Rivera Water Authority, and the Pico Rivera Housing Assistance Agency. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 19 of this report.

See independent auditors' report

**CITY OF PICO RIVERA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2013**

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 39 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the comparison of budgeted to actual results for the general and major special revenue funds. Required supplementary information can be found on pages 93 through 98 and page 104 of this report.

The combining statements referred to earlier in connection with other governmental funds, other enterprise funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on pages 108 through 151 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City of Pico Rivera is presenting its financial statements under the reporting models required by GASB 34, GASB 63 and GASB 65. These report models significantly changed both the recording and presentation of financial data. GASB 34 was implemented eleven years ago and GASB 63 and 65 were implemented this year. Shown below is the Statement of Net Position with analysis discussion immediately following the table.

City of Pico Rivera  
Statement of Net Position  
Table 1

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current and other assets	\$ 46,426,255	\$ 55,141,538	\$ 6,179,004	\$ 7,251,529	\$ 52,605,259	\$ 62,393,067
Internal Balances	20,023,992	22,093,617	(20,023,992)	(22,093,617)	-	-
Receivables from Successor Agcy	14,811,181	22,973,699	30,573,753	31,705,047	45,384,934	54,678,746
Capital Assets	262,092,797	250,039,463	47,827,118	45,162,926	309,919,915	295,202,389
<b>Total Assets</b>	<b>\$ 343,354,225</b>	<b>\$ 350,248,317</b>	<b>\$ 64,555,883</b>	<b>\$ 62,025,885</b>	<b>\$ 407,910,108</b>	<b>\$ 412,274,202</b>
<b>Liabilities:</b>						
Current Liabilities	\$ 15,414,911	\$ 17,067,528	\$ 5,433,889	\$ 4,200,362	\$ 20,848,800	\$ 21,267,890
Long-term Liabilities	43,614,971	42,539,140	46,515,103	48,424,377	90,130,074	90,963,517
<b>Total Liabilities</b>	<b>\$ 59,029,882</b>	<b>\$ 59,606,668</b>	<b>\$ 51,948,992</b>	<b>\$ 52,624,739</b>	<b>\$ 110,978,874</b>	<b>\$ 112,231,407</b>
<b>Net Assets:</b>						
Invested in Capital Assets, net of related debt	\$ 232,734,954	\$ 231,879,296	\$ 11,819,142	\$ 8,456,169	\$ 244,554,096	\$ 240,335,465
Restricted	12,426,012	15,287,855	-	-	12,426,012	15,287,855
Unrestricted	39,163,377	43,474,498	787,749	944,977	39,951,126	44,419,475
<b>Total Net Position</b>	<b>\$ 284,324,343</b>	<b>\$ 290,641,649</b>	<b>\$ 12,606,891</b>	<b>\$ 9,401,146</b>	<b>\$ 296,931,234</b>	<b>\$ 300,042,795</b>

See independent auditors' report

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

- Net Assets decreased by \$6,317,306 with decreases of \$2,861,843 in restricted assets and \$4,311,121 in unrestricted assets. These reductions were partially offset by an increase of \$855,658 in invested in capital assets. The reductions were primarily due to the expenditure of bond proceed funds on capital projects and the write-down of interest on loans to the Successor Agency.

**Business-Type Activities** - Business-type activities assets increased \$2,529,998 to \$64,555,883, liabilities decreased \$675,747 to \$51,948,992 and the total net position increased by \$3,205,745 to \$12,606,891.

- Overall, current and other assets decreased \$1,072,525 which is primarily a GASB 65 write off of \$1,472,018 in bond issuance costs that had been recorded as an asset partially offset by increases in cash and receivables.
- Internal balances and receivables from the Successor Agency decreased by \$2,069,625 and \$1,131,294 respectively. Internal balances decreased due to a better cash position in the Water Fund and the receivable from the Successor Agency decreased due to a reduction of historical interest charged the Successor Agency that was requested by the California Department of Finance. Capital assets increased by \$2,664,192 primarily due to the restatement of accumulated depreciation and the addition of new assets.
- Current liabilities increased by \$1,233,527 primarily due to the retention of water replenishment district fees that are currently being withheld but recorded as a liability until the matter between City and water replenishment district is resolved. The additional amount added to this liability during the year was \$926,474 bringing the total replenishment district liability to \$1,681,696 (for further information see Note 7A on page 66). The remaining current liabilities increased by \$307,053 which are primarily in the Water and Golf Funds. Long-term liabilities decreased \$1,909,274 which is due to principal payments on the outstanding Water Bonds.
- Total net position increased \$3,205,745 primarily due to the reduction in accumulated interest receivable, reduction of long-term debt partially offset by the removal of the issuance cost asset.

The Statement of Activities for the Governmental Activities and Business-type Activities is shown below. Discussion regarding significant revenue and expense changes immediately follows the table.

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

City-wide revenues decreased by \$8,204,158 to \$65,516,710 and expenses decreased by \$9,185,823 to \$55,301,837. The most significant decrease in revenues is primarily attributed to a reduction of \$6,484,129 in Capital in Capital Grants and Contribution revenues which were received to fund capital projects and general fund operating expenses. There were special item reductions totaling \$11,071,059 and beginning balance net assets reductions of \$2,255,375. These special item and adjustments are directly related to the wind down of the redevelopment agency.

**Governmental Activities** – Revenues decreased by \$8,575,737 and expenses decreased by \$8,088,632. There was also special items recorded as well as an adjustment to beginning net assets. These items are discussed below.

- The City receives significant federal monies for rent subsidy, homeowner assistance programs, after school programs as well as for federally-eligible construction projects. The revenues for rent subsidy and homeowner assistance programs are consistent with last year. There was however a \$6,484,129 decrease in decrease in capital projects grants. Charges for service decreased by \$394,485.
- General revenues decreased by \$2,191,600. There were increases in property and sales tax, franchise fees, utility user's tax and miscellaneous revenues. These increases were partially offset by the full removal of the redevelopment agency and its property tax revenues. Last year, there were seven months of redevelopment agency property tax collections totaling \$3,538,844 that are not part of this year's report.
- There were several classifications of expenditures that had significant decreases and two that had increases. The largest decrease of \$3,386,803 occurred in Community Development which is primarily due to a reduction in capital projects. The next largest decrease of \$2,546,784 was in interest and fiscal charges and is a combination of a change in the method of recording debt service payments funded with transfers from the General Fund and not having any redevelopment agency debt service payments as part of the government-wide financials. On February 1, 2012, the redevelopment agency was dissolved but this was after one six month debt service payment had been made. The third largest decrease of \$2,217,607 occurred in the general government expenditure classification. The reduction is a combination of a reduced OPEB increase when compared to the prior year, reductions in legal costs, salaries and benefits and other contract services.
- The special item reduction of \$10,921,476 is related to the wind down of the redevelopment agency and are for the following items. The establishment of a \$4,266,675 a set-a-side for Successor Agency loans, a \$2,738,673 transfer from the low mod housing fund to the Successor Agency in land and cash for debt service payments, and a \$3,916,128 write down on interest due on loans to the Successor Agency.
- The Adjustment to beginning net assets of a negative \$3,672,868 is for a \$3,004,344 adjustment to accumulated depreciation and the write off of \$668,524 for bond issuance costs no longer reported due to the implementation of GASB 65.

See independent auditors' report

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

the end of the current fiscal year, the General Fund had a fund balance of \$40,327,726 a decrease of \$2,617,801. Nearly all of the fund balance has been restricted, committed, assigned or considered nonspendable. The nonspendable amount is \$25,222,739, the restricted amount is \$2,334,811, the committed amount is \$5,974,566, the assigned amount is \$6,745,120, and the unassigned amount is \$50,490. For further details on these amounts, please see note 12 on page 77.

- Revenues of \$34,878,854 came in above budgeted revenues by \$3,200,880. Taxes and assessments came in \$2,810,266 over its budget and intergovernmental revenues came in \$1,041,447 over its budget. The three large revenues that did not meet their respective budgets were fines and forfeitures which came in \$152,632 under budget, miscellaneous revenues that came in \$535,375 under budget and licenses and permits that came in \$27,685 under budget. The miscellaneous revenues budget includes cost reimbursements which is the primary cause of the under budget condition. The remaining revenues classifications were near their respective budgets. Please see page 95 for specific comparisons.
- Expenditures of \$30,847,294 came in under budget by \$1,492,172. Department expenditure classifications came in \$828,970 under budget and debt service came in \$663,202 under budget. Page 95 shows specific comparisons for expenditures.

Housing Agency Section 8 Fund - Accounts for funds received from the U.S. Department of Housing and Urban Development for rental assistance for very low and low income families to meet their housing needs. During the year, \$5,441,005 revenue was received and \$5,668,362 was spent. The ending fund balance is \$871,050.

Federal Grants Fund - The Federal Grants Fund accounts for funds received from the United States (federal) government for the rehabilitation of streets, intersections and parkway improvements. During the year, \$6,629,364 was either received or billed and \$6,652,602 was transferred to the Capital Improvement Fund where it was spent.

HOME Grant - Accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of housing loans and rehabilitation. During the year, \$241,122 in revenue was received and \$8,094 was spent. The ending fund balance is \$693,153. This fund is reported as a major fund since outstanding loans to residents total \$4,073,200.

Capital Improvement Fund - The Capital Improvement Fund is a capital improvements fund that accounts for all governmental type fund capital expenditures. Monies are transferred in from other internal funds and spent from this fund. The Capital Improvement Fund has an ending balance of a negative \$810,062 due to accrued but not funded retention payments to several vendors. During the year, \$20,683,846 was spent on city-wide capital projects.

Water Operations Enterprise Fund - The Water Operations Enterprise Fund accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system. During the year, \$7,870,985 was collected as charges for services and operating expenses were \$4,909,565. There were additional monies received in investment income as well as payments on bonded debt and transfers to other funds. There was a net increase of \$1,417,493 to beginning fund balance to account for the a \$2,889,511 decrease in accumulated depreciation partially offset by a \$1,472,018 removal of the

See independent auditors' report

CITY OF PICO RIVERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013

**Business-type activities** -. Business-type activities capital assets, before depreciation, increased during the year by \$309,120 or less than 1% of total assets. This increase was due to a \$221,928 increase in work in process, \$190,142 increase in infrastructure, a \$58,170 increase in structures and improvements and a decrease of \$161,120 in furniture and equipment. There was a onetime reduction of \$2,889,510 reported as a prior period adjustment and net annual depreciation of \$534,438 bringing total accumulated depreciation to \$17,324,717.

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 59 and 60 of this report.

**Debt Administration** - At June 30, 2013, the City had total debt outstanding of \$92,608,873 a decrease of \$778,429. Debt includes bonded, post employment benefits and compensated absences.

City of Pico Rivera  
Outstanding Debt  
Fiscal Year ended June 30, 2013  
Table 4

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Bonded indebtedness:</b>						
Revenue bonds	\$ 32,300,000	\$ 32,860,000	\$ 48,155,000	\$ 49,935,000	\$ 80,455,000	\$ 82,795,000
Bond premium	1,175,542	1,220,467	631,087	670,945	1,806,629	1,891,412
Bond discount	-	-	(465,170)	(491,878)	(465,170)	(491,878)
<b>Other long-term debt:</b>						
Other post-employ'm't benefits	10,130,918	8,354,918	-	-	10,130,918	8,354,918
Compensated absences	593,511	737,506	87,985	100,344	681,496	837,850
<b>Total Indebtedness</b>	<b>\$ 44,199,971</b>	<b>\$ 43,172,891</b>	<b>\$ 48,408,902</b>	<b>\$ 50,214,411</b>	<b>\$ 92,608,873</b>	<b>\$ 93,387,302</b>

**Governmental activities** - Governmental activities outstanding debt decreased during the year by \$1,027,080. Of this amount, there was an addition of \$1,776,000 to the post employment benefits liability, which was partially offset by a \$560,000 reduction in the revenue bond liability and a reduction of \$143,995 in compensated absences and a reduction of \$44,925 in bond premiums. Overall, governmental debt at year end is \$44,199,971. Please refer to note 6 beginning on page 61 for further detail.

**Business-type activities** - Business-type activities outstanding debt decreased during the year by \$1,805,509. Bonded debt along with its bond premium and discount decreased a net \$1,793,150 and compensated absences decreased by \$12,359. Overall, business-type debt at year end is \$48,408,902. Please refer to note 6 beginning on page 61 for further detail.

See independent auditors' report

CITY OF PICO RIVERA

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 28,998,278	\$ 295,302	\$ 29,293,580
Cash and investments with fiscal agents	4,717,699	-	4,717,699
Receivables, net			
Accounts	3,368,502	1,218,126	4,586,628
Taxes	3,178,438	-	3,178,438
Interest	921,294	196,148	1,117,442
Prepays and deposits	-	8,415	8,415
Internal balances	20,023,992	(20,023,992)	-
Inventories	-	10,414	10,414
Restricted cash and investments	26,906	4,450,599	4,477,505
Long-term receivables	5,215,138	-	5,215,138
Land held for resale	600,000	-	600,000
Receivables from Successor Agency	14,811,181	30,573,753	45,384,934
Capital assets, not depreciated	196,496,793	19,130,471	215,627,264
Capital assets, depreciated, net	64,996,004	28,696,647	93,692,651
<b>TOTAL ASSETS</b>	<b>343,354,225</b>	<b>64,555,883</b>	<b>407,910,108</b>
<b>LIABILITIES:</b>			
Accounts payable	4,813,038	913,927	5,726,965
Interest payable	589,546	319,750	909,296
Accrued liabilities	725,191	1,751,944	2,477,135
Deposits	1,015,213	554,469	1,569,682
Retention payable	1,709,095	-	1,709,095
Unearned revenue	5,977,828	-	5,977,828
Long-term liabilities:			
Due within one year	585,000	1,893,799	2,478,799
Due in more than one year	43,614,971	46,515,103	90,130,074
<b>TOTAL LIABILITIES</b>	<b>59,029,882</b>	<b>51,948,992</b>	<b>110,978,874</b>
<b>NET POSITION:</b>			
Net investment in capital assets	232,734,954	11,819,142	244,554,096
Restricted for community development	6,190,194	-	6,190,194
Restricted for transportation	3,074,176	-	3,074,176
Restricted for low and moderate income housing	2,886,596	-	2,886,596
Restricted for other purposes	275,046	-	275,046
Unrestricted	39,163,377	787,749	39,951,126
<b>TOTAL NET POSITION</b>	<b>\$ 284,324,343</b>	<b>\$ 12,606,891</b>	<b>\$ 296,931,234</b>

See independent auditors' report and notes to financial statements.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (7,118,762)	\$ -	\$ (7,118,762)
(9,599,130)	-	(9,599,130)
(1,306,986)	-	(1,306,986)
(3,699,875)	-	(3,699,875)
(5,441,707)	-	(5,441,707)
4,860,982	-	4,860,982
(975,580)	-	(975,580)
<u>(23,281,058)</u>	<u>-</u>	<u>(23,281,058)</u>
-	19,203	19,203
-	54,227	54,227
-	(136,509)	(136,509)
<u>-</u>	<u>(63,079)</u>	<u>(63,079)</u>
<u>(23,281,058)</u>	<u>(63,079)</u>	<u>(23,344,137)</u>
8,941,441	-	8,941,441
15,028,866	-	15,028,866
1,683,174	-	1,683,174
3,397,538	-	3,397,538
1,595,125	-	1,595,125
209,340	2,367,181	2,576,521
125,691	4,898	130,589
205,756	-	205,756
371,165	(371,165)	-
<u>31,558,096</u>	<u>2,000,914</u>	<u>33,559,010</u>
8,277,038	1,937,835	10,214,873
<u>(10,921,476)</u>	<u>(149,583)</u>	<u>(11,071,059)</u>
(2,644,438)	1,788,252	(856,186)
<u>286,968,781</u>	<u>10,818,639</u>	<u>297,787,420</u>
<u>\$ 284,324,343</u>	<u>\$ 12,606,891</u>	<u>\$ 296,931,234</u>

CITY OF PICO RIVERA

DESCRIPTION OF MAJOR FUNDS

June 30, 2013

**GOVERNMENTAL FUNDS**

The General Fund is the City's primary operating fund and accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The Housing Agency Section 8 Special Revenue Fund accounts for rental assistance expenditures incurred to assist very low and low income families in meeting their housing needs. Funds are provided by the U.S. Department of Housing and Urban Development.

The Federal Grants Special Revenue Fund accounts for funds received from the United States (Federal) government for the rehabilitation of intersections and parkway improvements.

The HOME Grant Special Revenue Fund accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of housing loans and rehabilitation.

The Capital Improvement Capital Projects Fund accounts for activity related to the City's capital projects other than those accounted for in the Enterprise Funds.

**ENTERPRISE FUND**

The Water Operations accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system.

Capital Projects Fund	Other	Total
Capital Improvement	Governmental Funds	Governmental Funds
\$ 2,287,909	\$ 8,848,788	\$ 21,515,810
-	2,382,888	4,717,699
-	709,979	3,368,502
-	223,406	3,177,213
-	146,138	921,294
-	-	4,765,981
-	-	26,906
-	-	18,943,708
-	1,141,938	5,215,138
600,000	-	600,000
-	2,011,156	14,811,181
<u>\$ 2,887,909</u>	<u>\$ 15,464,293</u>	<u>\$ 78,063,432</u>

\$ 1,987,814	\$ 482,044	\$ 4,812,560
1,062	25,118	725,191
-	2,054,079	3,685,697
-	-	1,015,213
1,709,095	-	1,709,095
-	1,187,574	5,977,828
<u>3,697,971</u>	<u>3,748,815</u>	<u>17,925,584</u>

-	92,021	7,413,366
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600,000	-	25,822,739
-	13,225,539	17,143,711
-	-	5,974,566
-	-	6,745,120
(1,410,062)	(1,602,082)	(2,961,654)
<u>(810,062)</u>	<u>11,623,457</u>	<u>52,724,482</u>

<u>\$ 2,887,909</u>	<u>\$ 15,464,293</u>	<u>\$ 78,063,432</u>
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CITY OF PICO RIVERA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2013

Fund balances (deficits) for governmental funds		\$ 52,724,482
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 366,135,955	
Less accumulated depreciation	<u>(104,643,158)</u>	
		261,492,797
Long-term loans receivable and accrued unpaid interest on long-term loans receivable and advances to other funds are not available to pay for current-period expenditures and accordingly are deferred in the governmental funds. In the Statement of Net Position, these receivables are recognized as earned revenues.		
		7,413,366
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 Statement of Net Position.		
OPEB Liability		5,486,552
Leave Liability		593,511
Equipment replacement		1,403,152
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Compensated absences	\$ (593,511)	
Accrued interest on bonds	(589,546)	
Other post-employment benefits	(10,130,918)	
Revenue Bonds payable	<u>(33,475,542)</u>	
		<u>(44,789,517)</u>
Net position of governmental activities		<u>\$ 284,324,343</u>

See independent auditors' report and notes to financial statements.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,962,745	\$ 30,782,011
-	-	1,912,315
-	4,929,181	18,257,848
-	33,070	1,717,790
-	-	1,234,368
-	72,910	398,030
-	65,513	951,402
-	8,063,419	55,253,764
-	-	6,555,866
-	-	10,940,211
155,216	1,308,929	7,976,019
-	896,828	4,967,899
-	9,810	5,678,172
-	1,067,673	2,189,841
20,528,630	-	20,528,630
-	-	560,000
-	-	1,094,198
<u>20,683,846</u>	<u>3,283,240</u>	<u>60,490,836</u>
<u>(20,683,846)</u>	<u>4,780,179</u>	<u>(5,237,072)</u>
21,427,661	71,690	24,558,694
-	(17,596,798)	(31,667,462)
<u>21,427,661</u>	<u>(17,525,108)</u>	<u>(7,108,768)</u>
-	(2,738,673)	(5,029,315)
743,815	(15,483,602)	(17,375,155)
<u>(1,553,877)</u>	<u>27,107,059</u>	<u>70,099,637</u>
<u>\$ (810,062)</u>	<u>\$ 11,623,457</u>	<u>\$ 52,724,482</u>

## CITY OF PICO RIVERA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	Water Operations	Other Funds	Total	Internal Service Funds
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and investments	\$ -	\$ 295,302	\$ 295,302	\$ 7,482,468
Receivables, net:				
Accounts	1,061,422	156,704	1,218,126	-
Interest	195,906	242	196,148	1,225
Deposits	-	8,415	8,415	-
Inventories, at cost	-	10,414	10,414	-
<b>TOTAL CURRENT ASSETS</b>	<b>1,257,328</b>	<b>471,077</b>	<b>1,728,405</b>	<b>7,483,693</b>
<b>NONCURRENT ASSETS:</b>				
Restricted cash and investments with fiscal agent	4,450,599	-	4,450,599	-
Receivables from Successor Agency	30,573,753	-	30,573,753	-
Capital assets, not depreciated	19,088,158	42,313	19,130,471	-
Capital assets, depreciated, net	27,592,317	1,104,330	28,696,647	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>81,704,827</b>	<b>1,146,643</b>	<b>82,851,470</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>82,962,155</b>	<b>1,617,720</b>	<b>84,579,875</b>	<b>7,483,693</b>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	815,918	98,009	913,927	478
Accrued interest payable	319,750	-	319,750	-
Accrued liabilities	1,740,564	11,380	1,751,944	-
Due to other funds	823,151	257,133	1,080,284	-
Unearned revenue	-	-	-	-
Deposits	552,669	1,800	554,469	-
Bonds payable - current portion	1,885,000	-	1,885,000	-
Compensated absences - current portion	8,799	-	8,799	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,145,851</b>	<b>368,322</b>	<b>6,514,173</b>	<b>478</b>
<b>NONCURRENT LIABILITIES:</b>				
Advance from other funds	18,260,812	682,896	18,943,708	-
Bonds payable	46,435,917	-	46,435,917	-
Compensated absences	79,186	-	79,186	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>64,775,915</b>	<b>682,896</b>	<b>65,458,811</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>70,921,766</b>	<b>1,051,218</b>	<b>71,972,984</b>	<b>478</b>
<b>NET POSITION:</b>				
Net investment in capital assets	10,672,499	1,146,643	11,819,142	-
Unrestricted	1,367,890	(580,141)	787,749	7,483,215
<b>TOTAL NET POSITION</b>	<b>\$ 12,040,389</b>	<b>\$ 566,502</b>	<b>\$ 12,606,891</b>	<b>\$ 7,483,215</b>

See independent auditors' report and notes to financial statements.

## CITY OF PICO RIVERA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	Water Operations	Other Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 7,904,473	\$ 841,764	\$ 8,746,237	\$ -
Payments to suppliers	(1,678,707)	(514,850)	(2,193,557)	-
Payments to employees	(1,502,927)	(310,250)	(1,813,177)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>4,722,839</u>	<u>16,664</u>	<u>4,739,503</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Proceeds (repayments) of receivable from Successor Agency	1,075,000	-	1,075,000	-
Transfers received from other funds	-	-	-	7,659,410
Transfers paid to other funds	(337,554)	(33,611)	(371,165)	(178,999)
Proceeds (repayments) of due to/from other funds	(2,332,531)	252,106	(2,080,425)	-
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,595,085)</u>	<u>218,495</u>	<u>(1,376,590)</u>	<u>7,480,411</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(412,070)	(58,170)	(470,240)	-
Principal retired	(1,780,000)	-	(1,780,000)	-
Interest paid	(3,062,167)	-	(3,062,167)	-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(5,254,237)</u>	<u>(58,170)</u>	<u>(5,312,407)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	<u>2,470,584</u>	<u>597</u>	<u>2,471,181</u>	<u>2,057</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>344,101</u>	<u>177,586</u>	<u>521,687</u>	<u>7,482,468</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>4,106,498</u>	<u>117,716</u>	<u>4,224,214</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,450,599</u>	<u>\$ 295,302</u>	<u>\$ 4,745,901</u>	<u>\$ 7,482,468</u>

See independent auditors' report and notes to financial statements.

(Continued)

CITY OF PICO RIVERA

DESCRIPTION OF FIDUCIARY FUNDS

June 30, 2013

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units.

Successor Agency to the City of Pico Rivera Redevelopment Agency Private Purpose Trust Fund -  
This fund accounts for the activities of the Successor Agency to the Pico Rivera Redevelopment Agency.

CITY OF PICO RIVERA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the period ended June 30, 2013

	Successor Agency to the City of Pico Rivera Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Redevelopment Property Tax Trust Fund Distributions	\$ 2,217,938
County deferral	346,497
Investment earnings	<u>6,330</u>
TOTAL ADDITIONS	<u>2,570,765</u>
DEDUCTIONS:	
Administration	193,386
Interest	2,360,632
Depreciation	104,004
Miscellaneous	<u>2,419</u>
TOTAL DEDUCTIONS	<u>2,660,441</u>
CHANGE IN NET POSITION, BEFORE EXTRAORDINARY ITEM	(89,676)
EXTRAORDINARY ITEM (NOTE 15)	<u>13,207,489</u>
CHANGE IN NET POSITION	13,117,813
NET POSITION - BEGINNING OF YEAR	<u>(122,917,619)</u>
NET POSITION - END OF YEAR	<u><u>\$ (109,799,806)</u></u>

See independent auditors' report and notes to financial statements

CITY OF PICO RIVERA  
NOTES TO FINANCIAL STATEMENTS

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES:

A. Description of the Reporting Entity:

The City of Pico Rivera (the City) was incorporated in January 1958 under the general laws of the State of California. The City is a full-service city and operates under a Council-Manager form of government.

The Pico Rivera Redevelopment Agency was established pursuant to the State of California Health and Safety Code, Section 33000 entitled Community Redevelopment Law. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the project area, as amended. Effective February 1, 2012, the Pico Rivera Redevelopment Agency (the former RDA) was dissolved as a result of Assembly Bill X26 (the Dissolution Act). See Note 17 for additional information.

The Pico Rivera Public Financing Authority (the Financing Authority) was formed as a joint powers authority between the City and the Pico Rivera Redevelopment Agency (the former RDA). Its purpose is to assist in the financing of public capital improvements or projects whenever there are significant public benefits.

The Pico Rivera Water Authority (the Water Authority) was formed as a joint powers authority between the City and the former RDA. Its purpose is to assist the City in its financing objectives by leasing and financing improvements to the City's water supply and distribution system.

The Pico Rivera Housing Assistance Agency (the Agency) was formed to provide safe and sanitary dwelling accommodations in the City to low and moderate - income individuals.

The City of Pico Rivera is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit provides a financial benefit or imposes a financial burden on the City.

The Authorities and Agency have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of the Authorities and Agency are reported within the funds of the City. The activities of the Financing Authority are included in the City's General Fund. Separate financial statements are not available. The activities of the Water Authority are reported in the Water Operations Enterprise Fund. Separate financial statements of the Water Authority may be obtained at City Hall. The activities of the Agency are reported in two special revenue funds (Section 8 and LMIHF). Separate financial statements are not available.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources".

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

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The Housing Agency Section 8 Special Revenue Fund accounts for rental assistance expenditures incurred to assist very low and low income families in meeting their housing needs. Funds are provided by the U.S. Department of Housing and Urban Development.

The Federal Grants Special Revenue Fund accounts for funds received from the United States (Federal) government for the rehabilitation of streets and intersections, bridge construction, and parkway improvements.

The HOME Grant Special Revenue Fund accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of housing loans and rehabilitation.

The Capital Improvement Capital Projects Fund accounts for activity related to the City's capital projects other than those accounted for in the Enterprise Funds.

The City reports the following major enterprise fund:

The Water Operations Fund accounts for the operation and maintenance of the City's water treatment, water transmission and distribution system.

Additionally, the City reports the following fund types:

Governmental Funds:

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

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. New Accounting Pronouncements (Continued):

**Implemented (Continued):**

In fiscal year 2012-2013, the City early implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Due to the early implementation of this statement, deferred charges (unamortized bond issuance costs), which now should be recognized as an expense in the period incurred, were eliminated. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this standard was to decrease the net position at July 1, 2012 by \$668,524 and \$1,472,018 of the governmental activities and business-type activities (specifically, Water Operations), respectively, which is the amount of deferred charges at July 1, 2012.

**Pending Accounting Standards:**

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:

- GASB 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", effective for periods beginning after December 15, 2012.
- GASB 67 - "*Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*", effective for the fiscal years beginning after June 15, 2013.
- GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - "*Government Combinations and Disposals of Government Operations*", effective for periods beginning after December 15, 2013.
- GASB 70 - "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", effective for the periods beginning after June 15, 2013.

E. Investments:

Investments are recorded at fair value (quoted market price or best available estimate thereof). Interest earned on cash and investments is credited to the fund, which holds the investment.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Interfund Transactions (Continued):

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs costs, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

I. Inventories and Prepaid Items:

Inventories are recorded as expenditures when consumed rather than when purchased. These inventories are valued at the lower of average cost or market and consist of expendable materials and supplies.

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

Inventories and prepaid items, as reported in the fund financial statements, are offset by nonspendable fund balance in governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

J. Restricted Assets:

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Capital Assets:

Capital assets, which include lands, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or fair market value (as of the date donated for contributed assets). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

N. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenues*, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from four sources: taxes, investment income, grants and notes receivable collections. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

O. Long-term Obligations:

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are included as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as an expense.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Q. Net Position:

The governmental and business-type activities in the government-wide financial statements utilize a net position presentation. Net position is classified in the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied, however it is at the Council's discretion.

R. Statement of Cash Flows:

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash and not subject to significant changes in value from interest rate fluctuations.

S. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed *</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Bonds and Notes	5 years	40%	None
U.S. Government Sponsored Agency Securities	5 years	40%	None
Banker's Acceptances Notes	180 days	30%	15%
Commercial Paper	270 days	25%	None
Certificates of Deposits	5 years	None	None
Money Market Mutual Funds	5 years	20%	10%
Repurchase Agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000

\* - Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

N/A - Not Applicable

**Investments Authorized by Debt Agreements:**

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, U.S. Treasury Obligations, U.S. Government Sponsored Agency Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Banker's Acceptance, Money Market Mutual Funds, Investment Contracts and Repurchase Agreements. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

**Disclosures Relating to Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

2. CASH AND INVESTMENTS (CONTINUED):

**Custodial Credit Risk:**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments. At June 30, 2013, the City and the Successor Agency deposits (bank balances) were insured by the Federal Depository Insurance Corporation and the remaining balances were collateralized under California Law. The City had no investments that are held by the safekeeping department of the broker-dealer (counterparty) used by the City to buy the securities.

**Investment in Local Agency Investment Fund:**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The 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.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

**Transfers In/Out:**

Transfer Out	Transfer In	Amount
General	Capital Improvement	
	Capital Projects Fund	\$ 1,122,314
	Other Governmental Funds	71,690
	Internal Service Funds	6,224,058
Federal Grant Special Revenue Fund	Capital Improvement	
	Capital Projects Fund	6,652,602
Other Governmental Funds	General Fund	2,557,737
	Capital Improvement	
	Capital Projects Fund	13,603,709
	Internal Service Funds	1,435,352
Water Operations Enterprise Fund	General Fund	324,000
	Capital Improvement	
	Capital Projects Fund	13,554
Other Enterprise Funds	General Fund	33,611
Internal Service Funds	General Fund	143,995
	Capital Improvement	
	Capital Projects Fund	35,482
		<u>\$ 32,218,104</u>

Interfund transfers were principally used to (1) provide capital projects funds with the funding necessary to accomplish those projects approved by City Council, (2) cover debt service payments, (3) provide for matching requirement of HOME funds, (4) reimbursements to other funds for expenditures paid, (5) reclassify an other governmental fund as an internal service fund (Equipment Replacement), and (6) to create two new internal service funds.

4. LONG-TERM RECEIVABLES:

A. Loans receivable consist of low interest and no interest home improvement loans made from the Community Development Block Grant Special Revenue Fund to qualified low-income homeowners. The low interest loans are payable in monthly installments over a period of 1 to 20 years. Those loans earning no interest are payable in one lump sum at the time the property is sold or refinanced. Payments received on these loans (principal and interest) are reloaned on a revolving basis under the home improvements program. Loans outstanding at June 30, 2013 totaled \$197,043.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2013 was as follows:

Governmental Activities:

	Balance at <u>July 1, 2012</u>	Prior Period <u>Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2013</u>
Capital assets, not being depreciated:					
Land	\$ 117,789,436	\$ -	-	\$ -	\$ 117,789,436
Construction in progress	<u>62,666,270</u>	<u>-</u>	<u>18,218,559</u>	<u>(2,177,472)</u>	<u>78,707,357</u>
Total capital assets, not being depreciated	<u>180,455,706</u>	<u>-</u>	<u>18,218,559</u>	<u>(2,177,472)</u>	<u>196,496,793</u>
Capital assets, being depreciated:					
Structures and improvements	21,445,150	-	-	-	21,445,150
Furniture and equipment	7,136,875	-	396,943	(433,726)	7,100,092
Infrastructure	<u>138,916,448</u>	<u>-</u>	<u>2,177,472</u>	<u>-</u>	<u>141,093,920</u>
Total capital assets, being depreciated	<u>167,498,473</u>	<u>-</u>	<u>2,574,415</u>	<u>(433,726)</u>	<u>169,639,162</u>
Less accumulated depreciation for:					
Structures and improvements	(6,778,837)	(173,494)	(358,822)	-	(7,311,153)
Furniture and equipment	(5,870,989)	-	(254,228)	433,726	(5,691,491)
Infrastructure	<u>(85,777,100)</u>	<u>(2,830,850)</u>	<u>(3,032,564)</u>	<u>-</u>	<u>(91,640,514)</u>
Total accumulated depreciation	<u>(98,426,926)</u>	<u>(3,004,344)</u>	<u>(3,645,614)</u>	<u>433,726</u>	<u>(104,643,158)</u>
Total capital assets, being depreciated, net	<u>69,071,547</u>	<u>(3,004,344)</u>	<u>(1,071,199)</u>	<u>-</u>	<u>64,996,004</u>
Governmental activities capital assets, net	<u>\$ 249,527,253</u>	<u>\$ (3,004,344)</u>	<u>\$17,147,360</u>	<u>\$ (2,177,472)</u>	<u>\$ 261,492,797</u>

Depreciation expense was charged to functions of the governmental activities as follows:

General government	\$ 113,905
Public safety	6,092
Public works	2,991,985
Parks and recreation	515,757
Community development	<u>17,875</u>
Total depreciation expense governmental activities	<u>\$3,645,614</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

6. LONG-TERM LIABILITIES:

Changes in long-term liabilities activity for the year ended June 30, 2013, was as follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013	Due Within One Year	Due in More Than One Year
Governmental Activities:						
2009 lease revenue bonds	\$ 32,860,000	\$ -	\$ (560,000)	\$ 32,300,000	\$ 585,000	\$ 31,715,000
Bond premium	1,220,467	-	(44,925)	1,175,542	-	1,175,542
Subtotal revenue bonds payable	34,080,467	-	(604,925)	33,475,542	585,000	32,890,542
Other post-employment benefits (Note 9)	8,354,918	3,106,000	(1,330,000)	10,130,918	-	10,130,918
Compensated absences	737,506	134,405	(278,400)	593,511	-	593,511
Total governmental activities	<u>\$ 43,172,891</u>	<u>\$ 3,240,405</u>	<u>\$ (2,213,325)</u>	<u>\$ 44,199,971</u>	<u>\$ 585,000</u>	<u>\$ 43,614,971</u>
Business-type activities:						
Revenue bonds payable	\$ 49,935,000	\$ -	\$ (1,780,000)	\$ 48,155,000	\$ 1,885,000	\$ 46,270,000
Add (Less):						
Bond premium	670,945	-	(39,858)	631,087	-	631,087
Bond discount	(491,878)	-	26,708	(465,170)	-	(465,170)
Subtotal revenue bonds payable	50,114,067	-	(1,793,150)	48,320,917	1,885,000	46,435,917
Compensated absences	100,344	8,256	(20,615)	87,985	8,799	79,186
Total business-type activities	<u>\$ 50,214,411</u>	<u>\$ 8,256</u>	<u>\$ (1,813,765)</u>	<u>\$ 48,408,902</u>	<u>\$ 1,893,799</u>	<u>\$ 46,515,103</u>

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities:

C. Lease Revenue Bonds:

Revenue bonds were issued by the Pico Rivera Water Authority to finance the initial lease payment under the terms of a lease between the City and Water Authority and to purchase the Redevelopment Agency's Tax Allocation Bonds.

Revenue bonds currently outstanding (in thousands) are as follow:

<u>Enterprise Fund</u>	<u>Series</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Maturity Date</u>
Water Authority	1999A	3.25%-5.5%	\$ 17,940	\$ 16,570	May 2029
Water Authority	1999B	6.00%-6.75%	5,520	555	May 2014
Water Authority	2001	5.75%-6.25%	<u>40,710</u>	<u>31,030</u>	December 2032
			<u>\$ 64,170</u>	<u>\$ 48,155</u>	

All operating and nonoperating revenues of the City's Water Operations Enterprise Fund are pledged to secure these revenue bonds.

Water Authority Revenue Bonds, Series 1999 A and B

The Pico Rivera Water Authority issued \$17,940,000 of Revenue Bonds (Series A) and \$5,520,000 of Taxable Revenue Bonds (Series B) dated May 1, 1999. These Bonds were issued to finance the lease and improvements of the Water Enterprise.

The Series A bonds are due in whole or in part through May 2029 and bear interest rates ranging from 3.25% to 5.5%. The Series B bonds are due through May 2014 and bear interest rates ranging from 6.0% to 6.75%. Interest is payable semiannually on May 1 and November 1 of each year. The bonds are subject to optional redemption in whole or in part on any interest payment due on or after May 1, 2009, by lot, with premiums ranging from 0% to 2%.

The bond indenture requires a Water Rate Stabilization Fund to be held and maintained by the trustee for the benefit of the owners of the bonds. The Water Rate Stabilization Fund is required to have a balance of not less than \$600,000. All funds in the Water Rate Stabilization Fund are pledged to secure payment of the bonds. The balance in the Water Rate Stabilization Fund at June 30, 2013 is \$600,000.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

6. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activities (Continued):

C. Lease Revenue Bonds (Continued):

Water Authority Revenue Bonds, Series 2001 (Continued)

The bond indenture requires the Authority to maintain a bond reserve in the amount of \$3,134,762, which includes the required Water Rate Stabilization Fund up to an amount equal to \$600,000. The balance in the Reserve Account and in the Water Rate Stabilization Fund as of June 30, 2013 amounted to \$2,977,668 and \$600,000, respectively.

The 2001 Series revenue bond indenture also require the Authority to maintain rates sufficient to generate subordinate net water revenues, as defined by the bond indenture, equal to 125% of the current year's debt service requirement. The Authority's coverage ratio in fiscal year 2013 was 1.59, which is greater than the required 1.25.

Annual debt service for the 2001 Series revenue bonds follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,195,000	\$ 1,902,031	\$ 3,097,031
2015	1,270,000	1,825,000	3,095,000
2016	1,345,000	1,743,281	3,088,281
2017	1,430,000	1,656,563	3,086,563
2018	1,520,000	1,564,375	3,084,375
2019 - 2023	9,155,000	6,223,594	15,378,594
2024 - 2028	9,685,000	3,127,344	12,812,344
2029 -2033	<u>5,430,000</u>	<u>889,063</u>	<u>6,319,063</u>
	<u>\$ 31,030,000</u>	<u>\$ 18,931,251</u>	<u>\$ 49,961,251</u>

D. Compensated Absences:

The City's policies relating to compensated absences are described in Note 1M. The liability amount of \$87,985 at June 30, 2013 is expected to be paid in future years from future resources.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

8. RETIREMENT PLANS (CONTINUED):

A. Defined Benefit Pension Plan (CalPERS) (Continued):

**Funding Policy:**

Participants are required to contribute 7% of their annual covered salary. In August of 2002, the City changed its Plan to 2.5%@55 resulting in a 1% increase in contributions to 8% of annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For active employees prior to May 9, 2012, the City pays the 8% employee retirement rate. Employees hired after May 9, 2012 pay 3% and the City pays 4%, this is the 2%@60 plan. The 2%@62 plan is effective January 1, 2013, whereby new employees in the CalPERS system will pay 6.25% and the City will not contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 18.406% for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

**Annual Pension Cost:**

For the year ended June 30, 2013, the City's annual pension cost of \$2,559,714 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by age, length of service and type of employment from 3.20 % to 14.20%, (c) a 2.75% inflation rate; (d) a 3.00% payroll growth rate; and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 2.75% and an annual production growth of 0.25%.

The actuarial value of the Plan's assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a rolling period which results in an amortization of 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

8. RETIREMENT PLANS (CONTINUED):

B. Defined Contribution Pension Plan (PARS) (Continued):

For the year ended June 30, 2013, the City's payroll covered by the plan was \$2,036,485. The City made employer contributions of \$76,369 (3.75% of current covered payroll), and employees contributed \$76,369 (3.75% of current covered payroll).

C. Defined Contribution Pension Plan - Council Members:

On July 1, 2002, the City started providing retirement benefits to its City Council members through a defined contribution plan. Council members can participate in the plan provided they have met all the eligibility requirements. The City contributes 1/12 of a certain percentage of the members final pay based on years of service, as follows:

<u>Number of Years of Service</u>	<u>Percentage of Final Pay</u>
5	20%
6	24%
7	28%
8	32%
9	36%
10	40%

For the year ended June 30, 2013 the City contributed a total \$14,577 to the City Council members' defined contribution plan.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN:

A. Plan Description:

In addition to the retirement plans described in Note 9, the City provides health care insurance benefits for its full-time employees who retire subsequent to October 1, 1983, under a single-employer defined benefit plan.

The City pays 100 percent of the medical premium and 85 percent of the CalPERS Care premium for all CalPERS vested retirees age of 50 or above and their eligible dependents. The City's obligation to pay full medical costs relates only to those medical coverage costs provided through CalPERS. The City is not obligated to pay Medicare Part B premiums for those retirees who are age 65 or above and who are enrolled in a Supplemental Medicare plan. When the retiree reaches age 65, the Basic Medical Plan is required to be transferred to a Supplemental Medicare Plan.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED):

C. Annual OPEB Cost and Net OPEB Obligation:

The City's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years. The ARC for the fiscal year ended June 30, 2013 was \$3,472,000 and was determined as part of an actuarial valuation dated June 30, 2013.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 3,472,000
Interest on net OPEB obligation	308,000
Adjustment to annual required contribution	<u>(673,000)</u>
Annual OPEB cost (expense)	3,106,000
Contributions to irrevocable trust	-
Premium payments including benefit payments	<u>(1,330,000)</u>
Change in net OPEB obligation	1,776,000
Net OPEB Obligation - beginning of year	<u>8,354,918</u>
Net OPEB Obligation - end of year	<u>\$ 10,130,918</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2011, 2012 and 2013, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$ 2,711,548	29.56%	\$ 5,765,076
6/30/12	3,506,000	26.13%	8,354,918
6/30/13	3,106,000	42.82%	10,130,918

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

10. DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are held in trust for the exclusive benefit of the participants and their beneficiaries.

11. INSURANCE PROGRAM:

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement:

The City is a member of the California Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Insurance Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Self-Insurance Programs of the Insurance Authority:

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

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CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

11. INSURANCE PROGRAM (CONTINUED):

B. Self-Insurance Programs of the Insurance Authority (Continued):

Workers' Compensation - In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance:

Pollution Legal Liability Insurance: The City participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Insurance Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Insurance Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Insurance Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance: The City participates in the all-risk property protection program of the Insurance Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Insurance Authority. The City's property currently has all-risk property insurance protection in the amount of \$40,625,658. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS:

The City's governmental fund balances at June 30, 2013 are tabulated below, followed by explanations as to the nature and purpose of each classification.

	General	Special Revenue Funds			Capital Projects Fund	Other Govt Funds	Total Govt Funds
		Housing Agency Section 8	Federal Grants	HOME Grant	Capital Improvement Fund		
<b>Nonspendable:</b>							
Long term receivables/advances	\$25,222,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$25,222,739
Land held for resale	-	-	-	-	600,000	-	600,000
<b>Restricted for:</b>							
Debt service	2,334,811	-	-	-	-	-	2,334,811
Housing Agency	-	871,050	-	-	-	-	871,050
HOME	-	-	-	693,153	-	-	693,153
Park development	-	-	-	-	-	27,812	27,812
Prop A	-	-	-	-	-	404,777	404,777
Prop C	-	-	-	-	-	1,178,973	1,178,973
Measure R	-	-	-	-	-	1,490,426	1,490,426
CalHOME	-	-	-	-	-	153,009	153,009
AQMD	-	-	-	-	-	142,070	142,070
County Grants	-	-	-	-	-	4,202	4,202
State Grants	-	-	-	-	-	94,639	94,639
Economic Development							
Assistance Grant	-	-	-	-	-	2,606,153	2,606,153
Federal Grant	-	-	19,158	-	-	-	19,158
Image enhancement	-	-	-	-	-	2,216,219	2,216,219
Reach Grants	-	-	-	-	-	493,848	493,848
Housing Agency LMIHF	-	-	-	-	-	2,015,546	2,015,546
Flossmoor Road Sewer							
Assessment District	-	-	-	-	-	3,374	3,374
Paramount/Mines Landscape							
Maintenance Assessment	-	-	-	-	-	11,603	11,603
2009 Bond capital projects	-	-	-	-	-	2,382,888	2,382,888
<b>Committed to:</b>							
Emergency Reserve/							
Economic stabilization/stimulus	5,974,566	-	-	-	-	-	5,974,566
<b>Assigned to:</b>							
Deposits	1,100,842	-	-	-	-	-	1,100,842
CRA contingency reserve	1,900,000	-	-	-	-	-	1,900,000
Debt Service	153,527	-	-	-	-	-	153,527
Bond defeasance	1,990,751	-	-	-	-	-	1,990,751
Capital improvements	1,600,000	-	-	-	-	-	1,600,000
<b>Unassigned</b>	<u>50,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,410,062)</u>	<u>(1,602,082)</u>	<u>(2,961,654)</u>
<b>Total Fund Balances</b>	<u>\$40,327,726</u>	<u>\$ 871,050</u>	<u>\$ 19,158</u>	<u>\$ 693,153</u>	<u>\$ (810,062)</u>	<u>\$11,623,457</u>	<u>\$52,724,482</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

13. OTHER REQUIRED DISCLOSURES:

**Deficit Fund Balance**

The following fund reported a deficit fund balance at June 30, 2013:

Major Fund:		
Capital Improvement Capital Projects Fund	\$	810,062

Management expects to eliminate the deficit with subsequent revenues or transfer from the General Fund.

14. RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCES:

The net position reported in the government-wide financial statements as of July 1, 2012 were restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported - July 1, 2012	\$ 290,641,649	\$ 9,401,146
Adjustment to accumulated depreciation for prior periods.	(3,004,344)	2,889,511
Reduction in net position to remove unamortized bond issuance costs for the implementation of GASB Statement 65	<u>(668,524)</u>	<u>(1,472,018)</u>
Net position as restated - July 1, 2012	<u>\$ 286,968,781</u>	<u>\$ 10,818,639</u>

The fund balances/net position reported in the fund financial statements as of July 1, 2011 were restated as follows:

	Water Operations Enterprise Fund
Fund balances/net position as previously reported - July 1, 2012	\$ 8,719,495
Adjustment to accumulated depreciation for prior periods.	2,889,511
Reduction in net position to remove unamortized bond issuance costs for the implementation of GASB Statement 65	<u>(1,472,018)</u>
Fund balances/net position as restated - July 1, 2012	<u>\$ 10,136,988</u>

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES:

On June 28, 2011, Assembly Bills x1 26 (the "Dissolution Act") and x1 27 was enacted as part of the fiscal year 2011-12 state budget package which dissolved Redevelopment.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 10, 2012, the City became the Successor Agency of the former redevelopment agency by operation of law in accordance with the Bill.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The Housing Assistance Agency elected on January 27, 2012 to serve as the Housing Successor Agency.

The housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Housing Agency LMIHF Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

16. RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (CONTINUED):

The DOF issued a Finding of Completion on April 26, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews even though no payment was required.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011 and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the City or county, or City and county that created an RDA, or any other public agency, and the RDA. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency. The City has not yet heard from the State Controller's Office regarding the audit.

Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

B. Loans Receivable:

Two low-interest loans were issued by the former Pico Rivera Redevelopment Agency for a commercial rehabilitation project. The loans bear interest rates from 1% to 3% and payments on these loans are to begin in ten to twenty-six years from the date of the loan. The amount of the loans outstanding at June 30, 2013 is \$410,078.

C. Payable To The City of Pico Rivera:

(1) The City had an agreement with the former Redevelopment Agency providing for the advance of funds to finance improvements and operations relating to and within the former Redevelopment Agency's project areas. The former Redevelopment Agency had been accruing interest on the original advances at a rate of 12% per annum, which were adjusted retroactively to 7% in fiscal year 2011-12. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advances to the former Redevelopment Agencies could not exceed effective LAIF rates. Therefore, the City retroactively recalculated interest using existing LAIF rates. As a result, the balance of the advance was written down by \$3,916,128. The write down has been reported as an extraordinary item (see Note 15). At June 30, 2013, the advance balance was \$17,066,700 which included accrued interest of \$7,904,130. During fiscal year 2012-13, the City recorded a 25% reserve against this advance totaling \$4,266,675 due to the estimated collectability by the General Fund as a result of the winding down of the affairs of the former Redevelopment Agency. The principal portion of the City's reserve is also reported as part of the extraordinary item in the amount of \$2,290,642 (see Note 15) and the interest portion reduced the amount of unavailable revenues reported as deferred inflows of resources in the General Fund in the amount of \$1,976,033.

(2) Sales Tax Loan from City:

The City and former Redevelopment Agency entered into an agreement whereby the City will defer its portion of sales tax revenues (City Deferrals) generated within the project area and advance the monies to the former Redevelopment Agency, to allow the former Redevelopment Agency to meet its debt service obligations. The former Redevelopment Agency had been accruing interest on the original deferrals at a rate of 7%. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advances to the former Redevelopment Agencies could not exceed effective LAIF rates. Therefore, the City retroactively recalculated interest using existing LAIF rates. As a result, the balance of the advance was written down by \$6,463,413. The write down has been reported as an extraordinary item (see Note 15). At June 30, 2013, the balance of the City Deferrals including interest was \$27,350,550.

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

D. Payable to the Pico Rivera Housing Assistance Agency:

Prior to dissolution, the former Redevelopment Agency had borrowed low and moderate income housing set-aside funds to make the payments to the Supplemental Education Revenue Augmentation Fund in accordance with the State of California mandate. These loans are to be repaid to the Agency in its capacity as the Successor Agency, as follows:

<u>Loan #</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Loan Amount</u>	<u>Repayment Terms</u>
1	12/08/09	0%	\$ 1,667,788	By June 30, 2015
2	03/08/11	0%	343,368	By June 30, 2016
			<u>\$ 2,011,156</u>	

E. Payable To the Pico Rivera Water Authority:

(1) The Water Authority had an agreement with the former Redevelopment Agency dated January 15, 1990 providing for the advance of funds to finance improvements relating to and within the former Redevelopment Agency's project areas. Interest had been accrued on these advances at a rate of 7%. In fiscal year 2012-13, the Department of Finance ruled that the rate for which interest was accrued on advance to former Redevelopment Agency could not exceed effective LAIF rates. Therefore, interest has been retroactively recalculated using the LAIF rates. As a result, the balance of the advance was written down by \$89,272. The write down has been recorded as an extraordinary item (see Note 15). At June 30, 2013, the advance balance was \$241,245, which includes accrued interest of \$111,245. During fiscal year 2012-13, the Water Authority recorded a 25% reserve against this advance totaling \$60,311 due to the estimated collectability as a result of the winding down of the affairs of the former RDA. The Water Authority's reserve is also reported as part of the extraordinary item in the Water Operations Enterprise Fund totaling \$60,311 (see Note 15).

(2) In January 2001, the Water Authority used the proceeds of its Revenue Bonds, Series 2001 issue (Note 6) to purchase the Redevelopment Agency's Tax Allocation Bonds, Series 2001 issue for \$38,020,100, which was recorded by the former Redevelopment Agency as advances from the Water Authority. Principal and interest payments on the advance are scheduled to cover and coincide with the Authority's debt service requirements on its Revenue Bonds, Series 2001. At June 30, 2013, the Water Authority's advances to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund amounted to \$30,392,819 (including accrued interest of \$186,288).

See independent auditors' report.

CITY OF PICO RIVERA

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2013

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED):

F. Payable to County of Los Angeles: (Continued)

**County Deferral: (Continued)**

During fiscal year 2012/2013, the County Deferral amount was recalculated and errors were found in the original formulas. This resulted in a reduction to the overall balance of \$1,585,428. This amount is recorded as an adjustment to the beginning net position of the Successor Agency Trust Fund.

G. Restatement of Beginning Net Position:

The net position reported in the financial statements as of July 1, 2011 were restated as follows:

Net position as previously reported - July 1, 2012	\$ (127,015,942)
Adjustment to recognize RPTTF revenues in the proper period in accordance with CCMA white paper	2,512,895
Reduction of County Deferral liability to recalculated amount	<u>1,585,428</u>
Net position as restated - July 1, 2012	<u>\$ (122,917,619)</u>

18. SUBSEQUENT EVENTS:

The City has evaluated events subsequent to June 30, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 23, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

See independent auditors' report.

**CITY OF PICO RIVERA  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF FUNDING PROGRESS,  
BUDGETARY COMPARISON SCHEDULES,  
AND  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF PICO RIVERA

SCHEDULE OF FUNDING PROGRESS

For the year ended June 30, 2013

**CalPERS PENSION PLAN**  
**(dollar amounts in thousands)**

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (UAAL) (a) - (b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/c]
06/30/10	\$ 71,465	\$ 55,722	\$ 15,743	77.97%	\$ 9,642	163.28%
06/30/11	77,656	58,828	18,828	75.75%	10,340	182.09%
06/30/12	81,842	61,616	20,227	75.30%	9,477	213.43%

See independent auditors' report.

CITY OF PICO RIVERA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 26,224,500	\$ 25,009,000	\$ 27,819,266	\$ 2,810,266
Licenses and permits	746,000	1,940,000	1,912,315	(27,685)
Intergovernmental	-	228,600	1,270,047	1,041,447
Charges for services	1,062,600	1,679,054	1,684,720	5,666
Fines, forfeitures and penalties	1,270,000	1,387,000	1,234,368	(152,632)
Investment and rental	23,000	23,000	82,193	59,193
Miscellaneous	266,000	1,411,320	875,945	(535,375)
TOTAL REVENUES	<u>29,592,100</u>	<u>31,677,974</u>	<u>34,878,854</u>	<u>3,200,880</u>
<b>EXPENDITURES:</b>				
Current:				
General government	6,607,800	6,657,799	6,555,866	101,933
Public safety	10,073,000	11,026,300	10,940,211	86,089
Public works	7,522,400	6,807,067	6,511,874	295,193
Parks and recreation	4,274,400	4,274,400	4,071,071	203,329
Community development	1,256,500	1,256,500	1,114,074	142,426
Debt service:				
Principal	-	-	560,000	(560,000)
Interest and fiscal charges	2,317,400	2,317,400	1,094,198	1,223,202
TOTAL EXPENDITURES	<u>32,051,500</u>	<u>32,339,466</u>	<u>30,847,294</u>	<u>1,492,172</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,459,400)</u>	<u>(661,492)</u>	<u>4,031,560</u>	<u>4,693,052</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,269,400	3,269,400	3,059,343	(210,057)
Transfers out	(1,710,800)	(2,919,022)	(7,418,062)	(4,499,040)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,558,600</u>	<u>350,378</u>	<u>(4,358,719)</u>	<u>(4,709,097)</u>
<b>EXTRAORDINARY ITEM:</b>				
Loss related to dissolution of the redevelopment agency:	-	-	(2,290,642)	(2,290,642)
NET CHANGE IN FUND BALANCE	(900,800)	(311,114)	(2,617,801)	(2,306,687)
FUND BALANCE - BEGINNING OF YEAR	<u>42,945,527</u>	<u>42,945,527</u>	<u>42,945,527</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 42,044,727</u>	<u>\$ 42,634,413</u>	<u>\$ 40,327,726</u>	<u>\$ (2,306,687)</u>

See independent auditors' report and note to required supplementary information.

CITY OF PICO RIVERA  
 BUDGETARY COMPARISON SCHEDULE  
 FEDERAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES	\$ 100,000	\$ 5,317,017	\$ 6,629,364	\$ 1,312,347
OTHER FINANCING USES:				
Transfers out	100,000	(8,782,770)	(6,652,602)	2,130,168
NET CHANGE IN FUND BALANCE	200,000	(3,465,753)	(23,238)	3,442,515
FUND BALANCE - BEGINNING OF YEAR	42,396	42,396	42,396	-
FUND BALANCE - END OF YEAR	<u>\$ 242,396</u>	<u>\$ (3,423,357)</u>	<u>\$ 19,158</u>	<u>\$ 3,442,515</u>

See independent auditors' report and note to required supplementary information.

CITY OF PICO RIVERA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

1. BUDGETARY CONTROL AND ACCOUNTING:

The City adopts annual budgets for governmental funds on a basis that is the same as accounting principles generally accepted in the United States of America.

The City's budget is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled.

The following procedures establish the budgetary data reflected in the financial statements:

The budget is prepared under the City Manager's direction and adopted by the City Council, generally prior to June 30 of each year. It is revised periodically during the year by the City Council. The budget presented in the financial statements includes the original and final amounts. The budget serves as a policy document for the deliverance of public services; however, expenditures are individually approved by the City Council. The City manager is authorized to transfer amounts within individual fund budgets without the approval of City Council. Additional appropriations during the year may be submitted to the City Council for review and approval.

Budget information is presented for the governmental fund types. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year, which were contingent upon new, or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. The budgets conform, in all material respects, to accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

Budgetary compliance is monitored without the use of encumbrances.

**CITY OF PICO RIVERA  
SUPPLEMENTARY INFORMATION**

**CITY OF PICO RIVERA  
OTHER MAJOR FUND  
BUDGETARY COMPARISON SCHEDULE**

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

June 30, 2013

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes. Special Revenue Funds include the following:

Community Development Block Grant Fund accounts for funds received from the U.S. Department of Housing and Urban Development for the purpose of Housing Rehabilitation, Social Services and qualified capital improvements.

Equipment Replacement Fund accounts for expenditures made for the purpose of purchasing equipment to replace obsolete, broken or other items in which it is economically unfeasible to continue repairing. In the current year, this fund was reclassified as an internal service fund.

State Gas Tax Fund accounts for the City's proportionate share of gas tax monies collected by the State of California, which are used for street construction and maintenance.

Lighting Assessment District Fund accounts for monies received for lighting services deemed to benefit the properties and businesses against which the special benefit assessments are levied. The assessments are levied once a year and are collected by the Los Angeles County Tax Collector and remitted to the City.

Park Development Fund accounts for funds received on new residential construction for the purpose of improving and/or developing the City's park system.

Prop A Fund accounts for the ½% sales tax approved by Prop A in Los Angeles County which is restricted for transportation programs and projects.

Prop C Fund accounts for the ½% sales tax approved by Prop C which is restricted for transportation programs and projects.

Measure R Fund accounts for monies received and expenditures relative to Measure R projects.

CalHOME Grant Fund accounts for funds received from the State of California for the purpose of providing home rehabilitation loans.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS  
(CONTINUED)

June 30, 2013

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities. Capital Projects Funds include the following:

Flossmoor Road Sewer Assessment District Fund accounts for funds received for the installation of sewers deemed to benefit the properties against which the special benefit assessments are levied.

Paramount/Mines Landscape Maintenance Assessment Fund accounts for funds received for the installation and maintenance of common areas deemed to benefit the properties against which the special benefit assessments are levied.

The 2009 Lease Revenue Bond Capital Projects Fund accounts for the proceeds of the 2009 Lease Revenue Bonds and all capital expenditures paid from the proceeds of the bond.

Special Revenue Funds (Continued)

State Gas Tax	Lighting Assessment District	Park Development	Prop A	Prop C	Measure R
\$ -	\$ -	27,768	\$ 502,972	1,177,723	1,489,112
-	-	-	-	-	-
-	-	-	-	-	-
131,012	92,258	-	-	-	-
-	-	44	439	1,250	1,314
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 131,012</u>	<u>\$ 92,258</u>	<u>\$ 27,812</u>	<u>\$ 503,411</u>	<u>\$ 1,178,973</u>	<u>\$ 1,490,426</u>
\$ -	\$ 50,256	\$ -	\$ 96,505	\$ -	\$ -
-	-	-	2,129	-	-
131,012	42,002	-	-	-	-
-	-	-	-	-	-
<u>131,012</u>	<u>92,258</u>	<u>-</u>	<u>98,634</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	27,812	404,777	1,178,973	1,490,426
-	-	-	-	-	-
-	-	27,812	404,777	1,178,973	1,490,426
<u>\$ 131,012</u>	<u>\$ 92,258</u>	<u>\$ 27,812</u>	<u>\$ 503,411</u>	<u>\$ 1,178,973</u>	<u>\$ 1,490,426</u>

(Continued)

Special Revenue Funds (Continued)

County Grants	State Grants	Economic Development Assistance Grant	Federal ARRA Grant	Image Enhancement	Reach Grants
\$ 1,442	\$ 102,398	\$ 2,606,615	\$ -	\$ 2,213,803	\$ 498,729
-	-	-	-	-	-
2,755	-	-	-	-	91,278
-	-	-	-	-	-
5	88	2,276	-	2,416	512
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,202</u>	<u>\$ 102,486</u>	<u>\$ 2,608,891</u>	<u>\$ -</u>	<u>\$ 2,216,219</u>	<u>\$ 590,519</u>
\$ -	\$ 7,847	\$ 2,738	\$ -	\$ -	\$ 87,763
-	-	-	-	-	8,908
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>7,847</u>	<u>2,738</u>	-	-	<u>96,671</u>
-	-	-	-	-	-
4,202	94,639	2,606,153	-	2,216,219	493,848
-	-	-	-	-	-
<u>4,202</u>	<u>94,639</u>	<u>2,606,153</u>	<u>-</u>	<u>2,216,219</u>	<u>493,848</u>
<u>\$ 4,202</u>	<u>\$ 102,486</u>	<u>\$ 2,608,891</u>	<u>\$ -</u>	<u>\$ 2,216,219</u>	<u>\$ 590,519</u>

(Continued)

Capital Projects Funds

Flossmoor Road Sewer Assessment District	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
3,371	\$ 11,437	\$ -	\$ 14,808	\$ 8,848,788
-	-	2,382,888	2,382,888	2,382,888
-	-	-	-	709,979
-	136	-	136	223,406
3	30	-	33	146,138
-	-	-	-	2,011,156
-	-	-	-	1,141,938
<u>\$ 3,374</u>	<u>\$ 11,603</u>	<u>\$ 2,382,888</u>	<u>\$ 2,397,865</u>	<u>\$ 15,464,293</u>
-	-	-	-	482,044
-	-	-	-	25,118
-	-	1,602,082	1,602,082	2,054,079
-	-	-	-	1,187,574
<u>-</u>	<u>-</u>	<u>1,602,082</u>	<u>1,602,082</u>	<u>3,748,815</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,021</u>
3,374	11,603	2,382,888	2,397,865	13,225,539
-	-	(1,602,082)	(1,602,082)	(1,602,082)
<u>3,374</u>	<u>11,603</u>	<u>780,806</u>	<u>795,783</u>	<u>11,623,457</u>
<u>\$ 3,374</u>	<u>\$ 11,603</u>	<u>\$ 2,382,888</u>	<u>\$ 2,397,865</u>	<u>\$ 15,464,293</u>

Special Revenue Funds (Continued)

State Gas Tax	Lighting Assessment District	Park Development	Prop A	Prop C	Measure R
\$ 1,511,287	\$ 1,404,742	\$ -	\$ -	\$ -	\$ -
-	-	-	1,034,805	860,331	642,986
-	-	2,590	-	-	-
464	-	167	1,064	4,867	4,738
-	-	-	63,549	-	-
<u>1,511,751</u>	<u>1,404,742</u>	<u>2,757</u>	<u>1,099,418</u>	<u>865,198</u>	<u>647,724</u>
-	656,302	-	643,947	8,101	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>656,302</u>	<u>-</u>	<u>643,947</u>	<u>8,101</u>	<u>-</u>
<u>1,511,751</u>	<u>748,440</u>	<u>2,757</u>	<u>455,471</u>	<u>857,097</u>	<u>647,724</u>
-	71,690	-	-	-	-
<u>(1,511,751)</u>	<u>(790,400)</u>	<u>(22,430)</u>	<u>(53,339)</u>	<u>(979,281)</u>	<u>(344,691)</u>
<u>(1,511,751)</u>	<u>(718,710)</u>	<u>(22,430)</u>	<u>(53,339)</u>	<u>(979,281)</u>	<u>(344,691)</u>
-	29,730	(19,673)	402,132	(122,184)	303,033
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	29,730	(19,673)	402,132	(122,184)	303,033
<u>-</u>	<u>(29,730)</u>	<u>47,485</u>	<u>2,645</u>	<u>1,301,157</u>	<u>1,187,393</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,812</u>	<u>\$ 404,777</u>	<u>\$ 1,178,973</u>	<u>\$ 1,490,426</u>

(Continued)

Special Revenue Funds (Continued)

County Grants	State Grants	Economic Development Assistance Grant	Federal ARRA Grant	Image Enhancement	Reach Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,859
5,543	122,646	-	78,041	-	912,780
-	-	-	-	30,480	-
13	300	8,920	-	9,564	2,004
-	1,964	-	-	-	-
<u>5,556</u>	<u>124,910</u>	<u>8,920</u>	<u>78,041</u>	<u>40,044</u>	<u>952,643</u>
-	-	-	-	-	-
-	-	-	-	-	896,828
-	9,810	-	-	-	-
-	-	37,879	-	-	-
-	<u>9,810</u>	<u>37,879</u>	-	-	<u>896,828</u>
<u>5,556</u>	<u>115,100</u>	<u>(28,959)</u>	<u>78,041</u>	<u>40,044</u>	<u>55,815</u>
-	-	-	-	-	-
<u>(11,182)</u>	<u>(104,673)</u>	-	<u>(78,041)</u>	<u>(621,910)</u>	-
<u>(11,182)</u>	<u>(104,673)</u>	-	<u>(78,041)</u>	<u>(621,910)</u>	-
(5,626)	10,427	(28,959)	-	(581,866)	55,815
-	-	-	-	-	-
(5,626)	10,427	(28,959)	-	(581,866)	55,815
<u>9,828</u>	<u>84,212</u>	<u>2,635,112</u>	-	<u>2,798,085</u>	<u>438,033</u>
<u>\$ 4,202</u>	<u>\$ 94,639</u>	<u>\$ 2,606,153</u>	<u>\$ -</u>	<u>\$ 2,216,219</u>	<u>\$ 493,848</u>

(Continued)

Capital Projects Funds

Flossmoor Road Sewer Assessment District	Paramount/Mines Landscape Maintenance Assessment	2009 Lease Revenue Bond	Total Capital Projects Funds	Total Other Governmental Funds
\$ -	\$ 8,857	\$ -	\$ 8,857	\$ 2,962,745
-	-	-	-	4,929,181
-	-	-	-	33,070
12	101	1,038	1,151	72,910
-	-	-	-	65,513
<u>12</u>	<u>8,958</u>	<u>1,038</u>	<u>10,008</u>	<u>8,063,419</u>
-	579	-	579	1,308,929
-	-	-	-	896,828
-	-	-	-	9,810
-	-	-	-	1,067,673
<u>-</u>	<u>579</u>	<u>-</u>	<u>579</u>	<u>3,283,240</u>
<u>12</u>	<u>8,379</u>	<u>1,038</u>	<u>9,429</u>	<u>4,780,179</u>
-	-	-	-	71,690
<u>-</u>	<u>(23,500)</u>	<u>(11,364,639)</u>	<u>(11,388,139)</u>	<u>(17,596,798)</u>
<u>-</u>	<u>(23,500)</u>	<u>(11,364,639)</u>	<u>(11,388,139)</u>	<u>(17,525,108)</u>
12	(15,121)	(11,363,601)	(11,378,710)	(12,744,929)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,738,673)</u>
12	(15,121)	(11,363,601)	(11,378,710)	(15,483,602)
<u>3,362</u>	<u>26,724</u>	<u>12,144,407</u>	<u>12,174,493</u>	<u>27,107,059</u>
<u>\$ 3,374</u>	<u>\$ 11,603</u>	<u>\$ 780,806</u>	<u>\$ 795,783</u>	<u>\$ 11,623,457</u>

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STATE GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes and assessments	\$ 1,752,200	\$ 1,511,287	\$ (240,913)
Investment and rental	-	464	464
	<u>1,752,200</u>	<u>1,511,751</u>	<u>(240,449)</u>
TOTAL REVENUES			
OTHER FINANCING USES:			
Transfers out	<u>(1,752,200)</u>	<u>(1,511,751)</u>	<u>240,449</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARK DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ -	\$ 2,590	\$ 2,590
Investment and rental	-	167	167
TOTAL REVENUE	-	2,757	2,757
OTHER FINANCING USES:			
Transfers out	(44,860)	(22,430)	22,430
NET CHANGE IN FUND BALANCE	(44,860)	(19,673)	25,187
FUND BALANCE - BEGINNING OF YEAR	47,485	47,485	-
FUND BALANCE - END OF YEAR	\$ 2,625	\$ 27,812	\$ 25,187

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROP C SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 830,000	\$ 860,331	\$ 30,331
Investment and rental	5,000	4,867	(133)
TOTAL REVENUES	835,000	865,198	30,198
EXPENDITURES:			
Current:			
Public works	20,000	8,101	11,899
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	815,000	857,097	42,097
OTHER FINANCING USES:			
Transfers out	(1,842,337)	(979,281)	863,056
NET CHANGE IN FUND BALANCE	(1,027,337)	(122,184)	905,153
FUND BALANCE - BEGINNING OF YEAR	1,301,157	1,301,157	-
FUND BALANCE - END OF YEAR	<u>\$ 273,820</u>	<u>\$ 1,178,973</u>	<u>\$ 905,153</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CalHOME GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,100,000	\$ 153,498	\$ (946,502)
Investment and rental	-	1,874	1,874
TOTAL REVENUES	1,100,000	155,372	(944,628)
EXPENDITURES:			
Community development	1,100,000	155,885	944,115
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(513)	(513)
FUND BALANCE - BEGINNING OF YEAR	153,522	153,522	-
FUND BALANCE - END OF YEAR	<u>\$ 153,522</u>	<u>\$ 153,009</u>	<u>\$ (513)</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COUNTY GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 291,600	\$ 5,543	\$ (286,057)
Investment and rental	-	13	13
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	291,600	5,556	(286,044)
OTHER FINANCING USES:			
Transfers out	(316,333)	(11,182)	305,151
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(24,733)	(5,626)	19,107
FUND BALANCE - BEGINNING OF YEAR	9,828	9,828	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ (14,905)</u>	<u>\$ 4,202</u>	<u>\$ 19,107</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT ASSISTANCE GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ 6,500	\$ 8,920	\$ 2,420
EXPENDITURES:			
Current:			
Community development	109,000	37,879	71,121
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(102,500)	(28,959)	73,541
FUND BALANCE - BEGINNING OF YEAR	2,635,112	2,635,112	-
FUND BALANCE - END OF YEAR	<u>\$ 2,532,612</u>	<u>\$ 2,606,153</u>	<u>\$ 73,541</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

IMAGE ENHANCEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for services	\$ 42,000	\$ 30,480	\$ (11,520)
Investment and rental	5,000	9,564	4,564
TOTAL REVENUES	47,000	40,044	(6,956)
OTHER FINANCING USES:			
Transfers out	(2,820,000)	(621,910)	2,198,090
NET CHANGE IN FUND BALANCE	(2,773,000)	(581,866)	2,191,134
FUND BALANCE - BEGINNING OF YEAR	2,798,085	2,798,085	-
FUND BALANCE - END OF YEAR	\$ 25,085	\$ 2,216,219	\$ 2,191,134

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRANSPORTATION DEVELOPMENT ACT SPECIAL REVENUE FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 95,900	\$ 32,321	\$ (63,579)
OTHER FINANCING USES:			
Transfers out	(94,642)	(32,321)	62,321
NET CHANGE IN FUND BALANCE	1,258	-	(1,258)
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 1,258</u>	<u>\$ -</u>	<u>\$ (1,258)</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FLOSSMOOR ROAD SEWER ASSESSMENT DISTRICT CAPITAL PROJECTS FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ -	\$ 12	\$ 12
FUND BALANCE - BEGINNING OF YEAR	<u>3,362</u>	<u>3,362</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,362</u>	<u>\$ 3,374</u>	<u>\$ 12</u>

See independent auditors' report.

CITY OF PICO RIVERA

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2009 LEASE REVENUE BOND CAPITAL PROJECTS FUND

For the year ended June 30, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment and rental	\$ -	\$ 1,038	\$ 1,038
OTHER FINANCING USES:			
Transfers out	<u>(12,313,476)</u>	<u>(11,364,639)</u>	<u>948,837</u>
NET CHANGE IN FUND BALANCE	(12,313,476)	(11,363,601)	949,875
FUND BALANCE - BEGINNING OF YEAR	<u>12,144,407</u>	<u>12,144,407</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (169,069)</u>	<u>\$ 780,806</u>	<u>\$ 949,875</u>

See independent auditors' report.

CITY OF PICO RIVERA

DESCRIPTION OF OTHER ENTERPRISE FUNDS

June 30, 2013

These funds account for operations that are financed and operated in a manner similar to private business enterprises. The Whittier Narrows Recreation Area Other Enterprise Funds are as follows:

Pico Rivera Sports Arena Fund accounts for funds received from the respective private concessionaires operating each facility.

Pico Rivera Golf Course Fund records the operations of the City-owned Golf Course.

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
OTHER ENTERPRISE FUNDS

For the year ended June 30, 2013

	Sports Arena	Golf Course	Total
OPERATING REVENUES:			
Charges for services	\$ 205,050	\$ 693,286	\$ 898,336
OPERATING EXPENSES:			
Salaries and benefits	12,726	299,813	312,539
Contractual services	-	69,505	69,505
Insurance claims and expenses	742	19,362	20,104
Administrative	-	158,278	158,278
Utilities	1,767	192,020	193,787
Repairs and maintenance	46,115	56,837	102,952
Depreciation	78,673	33,980	112,653
TOTAL OPERATING EXPENSES	140,023	829,795	969,818
OPERATING INCOME (LOSS)	65,027	(136,509)	(71,482)
NONOPERATING REVENUES (EXPENSES):			
Investment income	744	-	744
Interest expense	(10,800)	-	(10,800)
TOTAL NONOPERATING REVENUES (EXPENSES)	(10,056)	-	(10,056)
INCOME (LOSS) BEFORE TRANSFERS	54,971	(136,509)	(81,538)
TRANSFERS OUT	-	(33,611)	(33,611)
CHANGE IN NET POSITION	54,971	(170,120)	(115,149)
NET POSITION - BEGINNING OF YEAR	191,920	489,731	681,651
NET POSITION - END OF YEAR	\$ 246,891	\$ 319,611	\$ 566,502

See independent auditors' report.

CITY OF PICO RIVERA

DESCRIPTION OF INTERNAL SERVICE FUNDS

June 30, 2013

These funds account for the financing of services provided to one department to another on a cost-reimbursement basis.

OBEB accounts for funds accumulated to pay post-employment health benefit costs.

Leave Liability accounts for funds accumulated to pay for vacation, sick, and comp time balances for current City employees.

Equipment Replacement accounts for expenditures made for the purpose of purchasing equipment to replace obsolete, broken or other items in which it is economically unfeasible to continue repairing.

CITY OF PICO RIVERA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS

For the year ended June 30, 2013

	<u>OPEB Liability</u>	<u>Leave Liability</u>	<u>Equipment Replacement</u>	<u>Total</u>
NONOPERATING REVENUES:				
Investment income	-	-	3,282	3,282
TOTAL NONOPERATING REVENUES	-	-	3,282	3,282
INCOME BEFORE TRANSFERS	-	-	3,282	3,282
TRANSFERS IN	5,486,552	737,506	1,435,352	7,659,410
TRANSFERS OUT	-	(143,995)	(35,482)	(179,477)
CHANGE IN NET POSITION	5,486,552	593,511	1,403,152	7,483,215
NET POSITION - BEGINNING OF YEAR	-	-	-	-
NET POSITION - END OF YEAR	<u>\$ 5,486,552</u>	<u>\$ 593,511</u>	<u>\$ 1,403,152</u>	<u>\$ 7,483,215</u>

See independent auditors' report.

CITY OF PICO RIVERA

DESCRIPTION OF AGENCY FUND

June 30, 2013

The Agency Fund accounts for assets held by the City as an agent for bond assessment districts. The Agency Fund is as follows:

The Assessment District 95-1 Improvement Fund accounts for monies received for the payment of the Special Assessment Bonds. Funds are annually assessed to each respective property owner by the Los Angeles County Tax Collector and remitted to the City.

The Southeast Water Coalition Fund is used to account for activities in Southeast Water Coalition organized under a Joint Powers Agreement.

CITY OF PICO RIVERA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS

For the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>ASSESSMENT DISTRICT 95-1 IMPROVEMENT AGENCY FUND</b>				
ASSETS:				
Cash and investments	\$ 42,335	\$ 273	\$ -	\$ 42,608
Taxes receivable	52	-	(52)	-
Interest receivable	113	37	(113)	37
<b>TOTAL ASSETS</b>	<b><u>\$ 42,500</u></b>	<b><u>\$ 310</u></b>	<b><u>\$ (165)</u></b>	<b><u>\$ 42,645</u></b>
LIABILITIES:				
Due to bondholders	\$ 42,500	\$ 145	\$ -	\$ 42,645
<b>TOTAL LIABILITIES</b>	<b><u>\$ 42,500</u></b>	<b><u>\$ 145</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 42,645</u></b>
<b>SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY</b>				
ASSETS:				
Cash and investments	\$ -	\$ 256,418	\$ (38,837)	\$ 217,581
Accounts receivable	-	44,000	(44,000)	-
Due from other funds	-	459	-	459
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 300,877</u></b>	<b><u>\$ (82,837)</u></b>	<b><u>\$ 218,040</u></b>
LIABILITIES:				
Accounts payable	\$ -	\$ 43,219	\$ (38,837)	\$ 4,383
Due to bondholders	-	299,781	(86,124)	213,657
<b>TOTAL LIABILITIES</b>	<b><u>\$ -</u></b>	<b><u>\$ 343,001</u></b>	<b><u>\$ (124,961)</u></b>	<b><u>\$ 218,040</u></b>
<b>TOTAL</b>				
ASSETS:				
Cash and investments	\$ 42,335	\$ 256,691	\$ (38,837)	\$ 260,189
Taxes receivable	52	44,000	(44,052)	-
Interest receivable	113	37	(113)	37
Accounts receivable	-	44,000	(44,000)	-
Due from other funds	-	459	-	459
<b>TOTAL ASSETS</b>	<b><u>\$ 42,500</u></b>	<b><u>\$ 345,187</u></b>	<b><u>\$ (127,002)</u></b>	<b><u>\$ 260,685</u></b>
LIABILITIES:				
Accounts payable	\$ -	\$ 43,219	\$ (38,837)	\$ 4,383
Due to bondholders	42,500	299,926	(86,124)	256,302
<b>TOTAL LIABILITIES</b>	<b><u>\$ 42,500</u></b>	<b><u>\$ 343,146</u></b>	<b><u>\$ (124,961)</u></b>	<b><u>\$ 260,685</u></b>

See independent auditors' report.

**STATISTICAL SECTION  
(UNAUDITED)**

CITY OF PICO RIVERA

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2013

This part of the City of Pico Rivera'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 say about the government's overall financial health.

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Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 191,767,030	\$ 210,019,109	\$ 208,640,112	\$ 220,541,094	\$ 231,879,296	\$ 232,734,954
12,009,671	16,582,070	38,379,173	30,403,287	15,287,855	12,426,012
(52,353,854)	(56,761,367)	(60,689,563)	(61,677,209)	43,474,498	39,163,377
<u>151,422,847</u>	<u>169,839,812</u>	<u>186,329,722</u>	<u>189,267,172</u>	<u>290,641,649</u>	<u>284,324,343</u>
7,549,112	7,549,112	8,637,100	9,173,944	8,456,169	11,819,142
-	-	-	-	-	-
<u>20,172,694</u>	<u>18,011,715</u>	<u>(3,048,347)</u>	<u>(332,208)</u>	<u>944,977</u>	<u>787,749</u>
<u>27,721,806</u>	<u>25,560,827</u>	<u>5,588,753</u>	<u>8,841,736</u>	<u>9,401,146</u>	<u>12,606,891</u>
199,316,142	217,568,221	217,277,212	229,715,038	240,335,465	244,554,096
12,009,671	16,582,070	38,379,173	30,403,287	15,287,855	12,426,012
(32,181,160)	(38,749,652)	(63,737,910)	(62,009,417)	44,419,475	39,951,126
<u>\$ 179,144,653</u>	<u>\$ 195,400,639</u>	<u>\$ 191,918,475</u>	<u>\$ 198,108,908</u>	<u>\$ 300,042,795</u>	<u>\$ 296,931,234</u>

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 8,519,371	\$ 8,300,976	\$ 9,087,368	\$ 9,619,197	\$ 10,557,055	\$ 8,339,448
10,271,958	11,500,096	11,789,557	11,967,857	10,690,805	10,946,303
12,264,878	11,253,226	12,773,969	12,572,806	12,591,487	12,843,460
5,175,945	6,392,928	4,827,825	5,193,153	5,901,305	5,483,656
5,176,082	5,782,085	6,204,855	6,019,153	5,705,432	5,678,172
6,115,717	7,628,250	9,520,485	7,273,354	5,594,519	2,207,716
-	-	-	-	-	-
-	-	-	-	-	-
3,757,970	4,150,720	5,442,996	7,555,355	3,522,364	975,580
<u>51,281,921</u>	<u>55,008,281</u>	<u>59,647,055</u>	<u>60,200,875</u>	<u>54,562,967</u>	<u>46,474,335</u>
8,752,874	8,350,672	8,384,403	8,627,134	8,833,293	7,846,884
1,165,348	1,244,232	1,220,568	1,047,804	1,091,400	980,618
<u>9,918,222</u>	<u>9,594,904</u>	<u>9,604,971</u>	<u>9,674,938</u>	<u>9,924,693</u>	<u>8,827,502</u>
<u>\$ 61,200,143</u>	<u>\$ 64,603,185</u>	<u>\$ 69,252,026</u>	<u>\$ 69,875,813</u>	<u>\$ 64,487,660</u>	<u>\$ 55,301,837</u>
\$ 463,454	\$ 378,258	\$ 651,638	\$ 549,034	\$ 202,481	\$ 138,144
1,084,164	1,677,312	1,903,379	1,790,155	1,334,872	1,226,044
1,360,238	1,481,482	1,395,780	1,437,222	737,184	751,194
794,636	145,290	174,904	242,014	759,564	763,094
511,812	498,341	453,691	490,655	264,396	142,291
818,959	442,497	504,849	505,099	585,021	468,266
14,292,679	15,843,154	13,503,809	20,509,748	11,863,231	12,357,708
630	16,790,897	2,721,543	-	13,830,665	7,346,536
<u>19,326,572</u>	<u>37,257,231</u>	<u>21,309,593</u>	<u>25,523,927</u>	<u>29,577,414</u>	<u>23,193,277</u>
5,323,829	5,338,217	5,647,751	6,635,615	7,371,154	7,866,087
906,771	1,103,241	1,063,497	932,962	944,337	898,336
-	-	-	-	-	-
<u>6,230,600</u>	<u>6,441,458</u>	<u>6,711,248</u>	<u>7,568,577</u>	<u>8,315,491</u>	<u>8,764,423</u>
<u>\$ 25,557,172</u>	<u>\$ 43,698,689</u>	<u>\$ 28,020,841</u>	<u>\$ 33,092,504</u>	<u>\$ 37,892,905</u>	<u>\$ 31,957,700</u>
\$(31,955,349)	\$(17,751,050)	\$(38,337,462)	\$(34,676,948)	\$(24,985,553)	\$(23,281,058)
<u>(3,687,622)</u>	<u>(3,153,446)</u>	<u>(2,893,723)</u>	<u>(2,106,361)</u>	<u>(1,609,202)</u>	<u>(63,079)</u>
<u>\$(35,642,971)</u>	<u>\$(20,904,496)</u>	<u>\$(41,231,185)</u>	<u>\$(36,783,309)</u>	<u>\$(26,594,755)</u>	<u>\$(23,344,137)</u>

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 14,892,493	\$ 15,544,899	\$ 15,116,791	\$ 15,783,650	\$ 8,468,881	\$ 8,941,441
7,925,324	8,974,814	13,074,986	13,492,573	13,589,387	15,028,866
984,238	1,281,687	1,155,951	1,180,286	1,212,463	1,683,174
4,043,150	3,949,567	3,669,717	3,455,256	3,365,218	3,397,538
1,695,765	1,422,862	1,331,305	1,324,669	1,510,718	1,595,125
298,233	-	-	-	3,538,844	-
1,703,963	1,744,699	1,372,901	1,393,205	1,399,894	209,340
10,776	160,844	241,124	269,191	130,451	125,691
788,089	856,287	460,309	(2,510,743)	136,520	371,165
-	-	-	-	162,675	205,756
-	-	-	3,227,121	124,908,663	(10,921,476)
<u>32,342,031</u>	<u>33,935,659</u>	<u>36,423,084</u>	<u>37,615,208</u>	<u>158,423,714</u>	<u>20,636,620</u>
2,941,741	2,640,365	2,591,363	2,847,404	2,449,432	2,367,181
-	(9,196)	4,696	-	-	4,898
(788,089)	(856,287)	(460,309)	2,511,939	(136,520)	(371,165)
-	-	-	-	-	(149,583)
<u>2,153,652</u>	<u>1,774,882</u>	<u>2,135,750</u>	<u>5,359,343</u>	<u>2,312,912</u>	<u>1,851,331</u>
<u>\$ 34,495,683</u>	<u>\$ 35,710,541</u>	<u>\$ 38,558,834</u>	<u>\$ 42,974,551</u>	<u>\$ 160,736,626</u>	<u>\$ 22,487,951</u>
\$ 386,682	\$ 16,184,609	\$ (1,914,378)	\$ 2,938,260	\$ 133,438,161	\$ (2,644,438)
(1,533,970)	(1,378,564)	(757,973)	3,252,982	703,710	1,788,252
<u>\$ (1,147,288)</u>	<u>\$ 14,806,045</u>	<u>\$ (2,672,351)</u>	<u>\$ 6,191,242</u>	<u>\$ 134,141,871</u>	<u>\$ (856,186)</u>

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ -	\$ -	\$ -	\$ 27,187,687	\$ 28,313,381	\$ 25,222,739
-	-	-	-	2,334,609	2,334,811
-	-	-	5,500,000	9,030,031	5,974,566
-	-	-	6,000,000	3,267,506	6,745,120
-	-	-	3,767,252	-	50,490
9,064,673	35,849,151	34,922,021	-	-	-
7,648,759	8,569,891	8,016,575	-	-	-
<u>\$ 16,713,432</u>	<u>\$ 44,419,042</u>	<u>\$ 42,938,596</u>	<u>\$ 42,454,939</u>	<u>\$ 42,945,527</u>	<u>\$ 40,327,726</u>
\$ -	\$ -	\$ -	\$ 6,232,910	\$ 2,523,366	\$ 600,000
-	-	-	30,425,516	26,063,969	14,808,900
-	-	-	452,101	1,435,352	-
-	-	-	-	-	-
-	-	-	(62,865,626)	(2,868,577)	(3,012,144)
2,781,570	9,137,369	35,797,844	-	-	-
19,263,734	8,578,604	13,132,481	-	-	-
(34,960,091)	(35,126,372)	(36,446,232)	-	-	-
(25,453,373)	(27,696,411)	(28,959,913)	-	-	-
<u>\$(38,368,160)</u>	<u>\$(45,106,810)</u>	<u>\$(16,475,820)</u>	<u>\$(25,755,099)</u>	<u>\$ 27,154,110</u>	<u>\$ 12,396,756</u>

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 24,717,432	\$ 26,991,628	\$ 28,372,572	\$ 30,124,045	\$ 32,535,703	\$ 30,782,011
2,703,598	2,467,780	2,385,338	2,383,531	2,031,210	1,912,315
19,369,533	37,817,192	21,247,209	25,328,804	23,513,337	18,257,848
1,142,260	912,699	946,283	1,022,761	1,464,180	1,717,790
1,291,782	1,431,160	1,672,249	1,570,919	1,412,268	1,234,368
1,282,570	649,870	272,772	384,739	2,153,121	398,030
326,999	406,793	1,174,332	599,492	439,343	951,402
-	-	-	-	-	-
-	-	-	3,227,121	85,312,816	(5,029,315)
<u>50,834,174</u>	<u>70,677,122</u>	<u>56,070,755</u>	<u>64,641,412</u>	<u>148,861,978</u>	<u>50,224,449</u>
8,124,262	7,016,966	7,932,963	7,532,962	7,678,136	6,555,866
10,270,119	11,310,373	11,590,148	11,966,119	10,689,067	10,940,211
8,794,803	7,669,990	9,490,395	8,944,383	9,590,287	7,976,019
4,729,902	5,927,669	4,360,552	4,931,000	5,672,110	4,967,899
5,112,014	5,594,202	6,007,234	6,019,153	5,705,431	5,678,172
1,526,345	1,974,838	3,985,823	2,213,041	3,135,781	2,189,841
4,577,189	5,453,346	5,325,197	5,047,046	2,440,863	-
-	-	-	-	-	-
5,608,105	22,156,323	8,888,280	20,301,111	22,905,936	20,528,630
-	-	-	-	-	560,000
<u>3,700,671</u>	<u>4,099,386</u>	<u>6,109,167</u>	<u>4,938,688</u>	<u>3,588,338</u>	<u>1,094,198</u>
<u>52,443,410</u>	<u>71,203,093</u>	<u>63,689,759</u>	<u>71,893,503</u>	<u>71,405,949</u>	<u>60,490,836</u>
<u>(1,609,236)</u>	<u>(525,971)</u>	<u>(7,619,004)</u>	<u>(7,252,091)</u>	<u>77,456,029</u>	<u>(10,266,387)</u>
11,603,646	36,860,403	41,990,633	28,026,405	34,505,092	24,558,694
(10,815,557)	(36,004,116)	(41,428,840)	(30,537,148)	(34,368,572)	(31,667,462)
-	-	32,860,000	-	-	-
-	-	1,347,755	-	-	-
-	-	-	-	-	-
<u>788,089</u>	<u>856,287</u>	<u>34,769,548</u>	<u>(2,510,743)</u>	<u>136,520</u>	<u>(7,108,768)</u>
(821,147)	330,316	27,150,544	(9,762,834)	77,592,549	(17,375,155)
<u>12,161,421</u>	<u>(1,018,084)</u>	<u>(687,768)</u>	<u>26,462,776</u>	<u>(7,492,912)</u>	<u>70,099,637</u>
<u>\$ 11,340,274</u>	<u>\$ (687,768)</u>	<u>\$ 26,462,776</u>	<u>\$ 16,699,942</u>	<u>\$ 70,099,637</u>	<u>\$ 52,724,482</u>
7.90%	8.36%	11.15%	9.57%	7.28%	3.95%

Franchise Tax	Utility Users Tax	Business License Tax	Total
\$ 979,546	\$ 3,352,796	\$ 1,377,401	\$ 22,144,892
1,109,691	3,620,239	1,519,628	26,194,771
969,595	3,836,457	1,414,806	34,161,498
1,202,680	3,929,078	1,321,480	33,599,372
984,238	4,043,150	1,334,517	35,222,755
1,281,687	3,949,567	1,253,563	37,273,768
1,155,951	3,669,717	1,171,003	40,184,597
1,180,286	3,455,256	1,195,847	41,204,401
1,212,463	3,365,218	1,201,295	31,685,511
1,683,174	3,397,538	1,249,040	30,646,144
<u>71.83%</u>	<u>1.33%</u>	<u>-9.32%</u>	<u>38.39%</u>

Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 431,490	\$ 2,538,631,385	0.22547
733,094	2,763,406,127	0.22990
81,832	3,112,215,156	0.23773
83,467	3,430,416,740	0.24441
85,135	3,723,009,627	0.24191
1,820,837	3,928,654,151	0.24804
1,857,252	3,835,622,958	0.26015
1,852,848	3,793,015,615	0.26043
1,866,797	3,861,702,311	0.26358
1,904,130	3,931,538,791	0.26391

TOTAL COLLECTIONS TO DATE	
AMOUNT	FINAL PERCENT OF LEVY
n/a	n/a
n/a	n/a
\$ 2,372,113	96.54%
2,283,939	85.81%
2,471,602	85.74%
2,081,896	94.23%
2,005,000	80.20%
2,166,974	96.48%
2,031,720	90.29%
2,231,773	96.48%

City of Pico Rivera  
Principal Property Taxpayers  
Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2012-13		2003-04	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Vestar California XXVI LLC	\$ 67,538,683	1.72%	\$ -	
Majestic AMB Pico Rivera Associates	40,880,783	1.04%	35,878,748	1.41%
Iron Mountain Information	35,323,793	0.90%	-	
Walmart Real Estate Business Trust	32,860,662	0.84%	11,624,285	0.46%
Princeton Medical Holdings LLC	30,287,000	0.77%	-	
General American Life Insurance Company	27,121,587	0.69%	10,185,396	0.40%
GGF Pico Rivera LLC	26,329,507	0.67%	11,100,000	0.44%
Showprop Pico Rivera	24,820,949	0.63%	-	
Bakemark Ingredients West	21,944,870	0.56%	-	
Public Storage Inc	21,338,578	0.54%	-	
Pico Rivera LLC			31,539,277	1.24%
VCG LSC Properties LLC			15,559,527	0.61%
TRF Crossroads LLC			15,449,946	0.61%
Pacific Gateway Distribution Center LLC			14,676,660	0.58%
Osage Towers Limited			11,701,025	0.46%
Bay Cities Container Corporation			11,113,674	0.44%
	<u>\$ 328,446,412</u>	<u>8.35%</u>	<u>\$ 168,828,538</u>	<u>6.65%</u>

Excludes government and tax-exempt property owners

Total City Value for 2003-04	\$ 2,538,631,385
Total City Value for 2012-13	\$ 3,931,538,791

Source: Los Angeles County Assessor 2003-04 and 2012-13 Combined Tax Rolls

City of Pico Rivera  
 Top 25 Sales Tax Producers  
 Current Fiscal Year and Nine Fiscal Years Ago

2012-13		2003-04	
Taxpayer	Business Type	Taxpayer	Business Type
1. Apro	Service Stations	Apro	Service Stations
2. Arco AM PM	Service Stations	Arco AM PM	Service Stations
3. Arco AM PM	Service Stations	California Wholesale Plywood	Contractors
4. Cal Wholesale Material Supply	Contractors	Cintas	Business Services
5. Chevron	Service Stations	Dal Rae	Restaurants Liquor
6. Chevron	Service Stations	Foamex	Textiles/Furnishings
7. Cintas	Business Services	Food 4 Less	Grocery Stores Liquor
8. Circle K	Service Stations	Home Depot	Lumber/Building Materials
9. GE Mobile Water	Business Services	Ionics Ultrapure Water	Heavy Industrial
10. Home Depot	Lumber/Building Materials	Kwik/AI Sal Oil	Service Stations
11. KwikAI Sal Oil	Service Stations	Lowe's	Lumber/Building Materials
12. Lowe's	Lumber/Building Materials	Marshalls	Family Apparel
13. Marshalls	Family Apparel	McDonalds	Restaurants No Alcohol
14. McDonalds	Restaurants No Alcohol	Riviera Car Wash	Service Stations
15. Oxnard Building Materials	Contractors	Ross	Family Apparel
16. Pico Rivera Gas & Carwash	Service Stations	Rush Truck Center	New Motor Vehicle Dealers
17. Ross	Family Apparel	Rush Truck Leasing	Auto Lease
18. Rush Truck Center	New Motor Vehicle Dealers	Saw Service of America	Heavy Industrial
19. Saw Service of America	Heavy Industrial	Shell/Texaco	Service Stations
20. Southern California Material Handling	Repair Shop/Hand Tool Rentals	Southern California Material Handl	Repair Shop/Equip. Rentals
21. Target	Discount Dept Stores	Target	Discount Dept Stores
22. Tesoro Refining & Marketing	Service Stations	Unisource	Office Supplies/Furniture
23. Unisource	Office Supplies/Furniture	United Rentals	Repair Shop/Equip. Rentals
24. United Rentals	Repair Shop/Hand Tool Rentals	Walmart	Discount Dept Stores
25. Walmart	Discount Dept Stores	Whittier Fertilizer	Garden/Agricultural Supplie

% of Fiscal Year Total Paid by Top 25 Accounts =

2012-2013	65.32%
2003-2004	64.15%

NOTE: The names are listed in alphabetical order and not by sales tax volume.

Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$ 94,044,940	10.07%	\$ 1,413
94,214,853	9.65%	1,410
93,970,140	9.10%	1,408
94,013,324	8.80%	1,412
93,886,624	8.72%	1,411
93,508,309	8.90%	1,403
115,155,975	10.57%	1,828
125,386,637	11.00%	1,986
82,795,000	7.26%	1,312
80,455,000	6.93%	1,276

City of Pico Rivera  
Direct and Overlapping Debt  
As of June 30, 2013

2012-13 Assessed Valuation:	\$ 3,931,538,791		
Incremental Valuation:	808,082,843		
Adjusted Assessed Valuation:	<u>\$ 3,123,455,948</u>		
	Total		City's
	Debt		Share of
<u>DIRECT DEBT:</u>	June 30, 2013	Percentage	Debt
City of Pico Rivera	<u>\$ 32,300,000</u>	Applicable <sup>(1)</sup>	<u>June 30, 2013</u>
		100.000%	<u>\$ 32,300,000</u>
Total Direct Debt	<u>32,300,000</u>		<u>32,300,000</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	79,696,126	0.354%	282,124
Los Angeles Community College District	3,712,555,000	0.014%	519,758
Rio Hondo Community College District	167,628,211	13.099%	21,957,619
El Rancho Unified School District	54,842,135	99.997%	54,840,490
Montebello Unified School District	136,072,764	0.626%	851,816
Whittier Union High School District	115,863,318	0.423%	490,102
Los Nietos School District	12,303,130	0.063%	7,751
Whittier City School District	<u>45,260,000</u>	1.515%	<u>685,689</u>
Total Overlapping Tax and Assessment Debt	<u>4,324,220,684</u>		<u>79,635,348</u>
Combined Total Debt (2)			<u><u>\$ 111,935,348</u></u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2012-13 Assessed Valuation:

<b>Direct Debt</b>	<b>0.00%</b>
Total Overlapping Tax and Assessment Debt	2.55%

Ratios to Adjusted Assessed Valuation:

<b>Combined Direct Debt (\$32,860,000)</b>	<b>0.00%</b>
Combined Total Debt	2.55%

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
\$ 563,808,591	\$ 595,025,845	\$ 581,318,695	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951
-	-	-	-	-	-
<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>	<u>\$ 581,318,695</u>	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$3,723,009,627	\$ 3,928,654,151	\$ 3,835,622,958	\$ 3,793,015,615	\$ 3,861,702,311	\$ 3,973,385,899
35,714,311	38,184,816	39,835,011	33,519,567	40,735,942	41,847,108
<u>\$3,758,723,938</u>	<u>\$ 3,966,838,967</u>	<u>\$ 3,875,457,969</u>	<u>\$ 3,826,535,182</u>	<u>\$ 3,902,438,253</u>	<u>\$ 4,015,233,007</u>
\$ 563,808,591	\$ 595,025,845	\$ 581,318,695	\$ 573,980,277	\$ 585,365,738	\$ 602,284,951
-	-	-	-	-	-
<u>\$ 563,808,591</u>	<u>\$ 595,025,845</u>	<u>\$ 581,318,695</u>	<u>\$ 573,980,277</u>	<u>\$ 585,365,738</u>	<u>\$ 602,284,951</u>

City of Pico Rivera  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2003-04	66,577	\$ 933,676	\$ 14,024	6.10%
2004-05	66,811	975,975	14,608	5.00%
2005-06	66,727	1,032,667	15,476	4.40%
2006-07	66,583	1,068,790	16,052	4.70%
2007-08	66,533	1,076,903	16,186	6.90%
2008-09	66,650	1,050,937	15,768	10.80%
2009-10	62,988	1,089,063	17,290	11.50%
2010-11	63,121	1,140,344	18,066	11.50%
2011-12	63,121	1,141,193	18,199	10.85%
2012-13	63,053	1,161,020	18,274	8.60%

(1) Population projections are provided by the California Department of Finance Projections.

(2) Income data is provided by the United States Census Data and is adjusted for inflation.

(3) Unemployment rate is provided by the EDD's Bureau of Labor Statistics Department.

City of Pico Rivera  
 Full-Time Equivalent City Employees by Function  
 Last Ten Fiscal Years

Function	Fiscal Year									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
General Government	55.0	47.0	41.0	46.0	28.0	31.0	29.0	29.0	28.0	29.0
Public Safety	4.0	4.0	9.0	9.0	8.0	8.0	7.0	7.0	6.0	5.0
Public Works	45.0	47.0	42.0	54.0	48.0	56.0	57.0	57.0	57.0	47.0
Parks and Recreation	38.0	36.0	23.0	25.0	17.0	22.0	22.0	22.0	20.0	20.0
Community Development	18.0	18.0	26.0	18.0	17.0	19.0	22.0	22.0	17.0	16.0
Water	9.0	10.0	21.0	11.0	11.0	8.0	8.0	8.0	10.0	11.0
Total	<u>169.0</u>	<u>162.0</u>	<u>162.0</u>	<u>163.0</u>	<u>129.0</u>	<u>144.0</u>	<u>145.0</u>	<u>145.0</u>	<u>138.0</u>	<u>128.0</u>

Source: City of Pico Rivera Finance Department

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
23,548	23,017	22,471	21,622	21,735	22,369
8,657	8,323	7,892	7,420	7,151	7,062
6,979	6,747	9,057	8,321	4,326	4,947
634	864	408	440	416	302
19,244	22,444	22,473	20,276	16,490	16,161
360	707	1,600	976	1,012	669
2,550	1,890	735	672	720	1,059
14,810	9	7,502	6,846	5,152	4,690
39	46	49	50	50	51
9,400	9,456	9,405	9,411	9,468	9,510
5	5	5	5	5	6
767	780	798	762	810	783
11	11	11	11	11	11
23,425	234,607	132,844	183,680	121,419	120,200
14,088	14,400	14,400	14,400	21,285	21,285
3,700	4,592	4,669	4,041	4,621	4,543
685	700	659	856	825	835
35,964	37,718	16,720	12,163	11,479	17,800
39,452	10,184	10,082	10,660	15,601	14,983
84,728	90,664	100,547	117,321	132,211	133,143

Fiscal Year					
<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
1	1	1	1	1	1
12	14	14	12	12	12
137.0	115.2	115.2	115.2	115.2	115.2
40	42	42	43	43	43
8	8	8	8	8	8
3	3	3	3	3	3
98	98	98	98	98	98
285	285	285	285	285	285
17	17.2	17.2	17.2	17.2	17.0
7	8	8	8	8	8
8	6	6	6	6	6

**CITY OF PICO RIVERA**

**APPROPRIATIONS LIMIT WORKSHEET NO. 6**

**WITH INDEPENDENT ACCOUNTANTS' REPORT  
ON AGREED-UPON PROCEDURES  
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET**

**FOR THE YEAR ENDED JUNE 30, 2013**

WHITE NELSON DIEHL EVANS LLP  
Certified Public Accountants & Consultants

INDEPENDENT ACCOUNTANTS' REPORT ON  
AGREED-UPON PROCEDURES  
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET

To the Honorable Mayor and  
Members of City Council  
of the City of Pico Rivera  
Pico Rivera, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 of the City of Pico Rivera, California (the City) for the year ended June 30, 2013. These procedures, which were agreed to by the City of Pico Rivera, California and the League of California Cities (as presented in the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines") were performed solely to assist the City of Pico Rivera, California in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit Worksheet No. 6.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheet No. 6 for the year ended June 30, 2013, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the City Council.

No exceptions were noted as a result of this procedure.

2. For the accompanying Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit.

No exceptions were noted as a result of this procedure.

3. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

No exceptions were noted as a result of this procedure.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled "Article XIII-B Appropriations Limitation Uniform Guidelines".

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

*White Nelson Dick Evans LLP*

Irvine, California  
December 23, 2013

CITY OF PICO RIVERA

APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2013

Appropriations limit for fiscal year ended June 30, 2012 (see Note 2)				\$ 116,956,341
Adjustment factors for the fiscal year ended June 30, 2013 (see Note 2):				
	Inflation Factor <u>(Note 3)</u>	Population Factor <u>(Note 4)</u>	<u>Combined Factor</u>	
	1.0377	1.0038	1.0416	x <u>0.0416</u>
Adjustment for inflation and population				4,865,384
Other adjustments (Note 5)				<u>-</u>
Total adjustments				<u>4,865,384</u>
Appropriations limit for fiscal year ended June 30, 2013				<u>\$ 121,821,725</u>

Unaudited; see accompanying independent accountants' report on agreed-upon procedures applied to appropriations limit worksheet and accompanying notes.

CITY OF PICO RIVERA

## NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2013

### 1. PURPOSE OF LIMITED PROCEDURES REVIEW:

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

### 2. METHOD OF CALCULATION:

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

### 3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City of Pico Rivera for the fiscal year 2012-2013 represents the annual percentage change for per capita personal income.

### 4. POPULATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the City of Pico Rivera for fiscal year 2011-2013 represents the annual percentage change in the population for the County of Los Angeles.

### 5. OTHER ADJUSTMENTS:

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City of Pico Rivera had no such adjustments for the year ended June 30, 2013.

Unaudited; see accompanying independent accountants' report on agreed-upon procedures applied to appropriations limit worksheet.



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

City Council  
City of Pico Rivera  
Pico Rivera, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pico Rivera, California (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 23, 2013.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

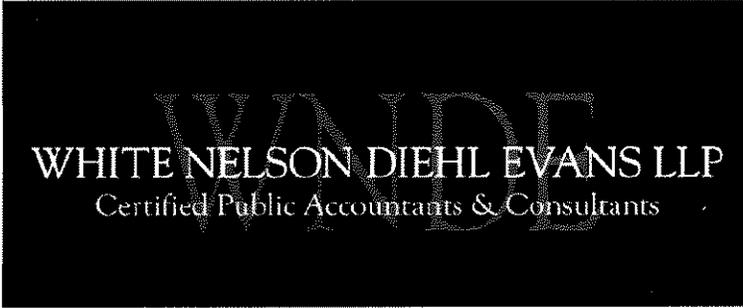
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

## **Purpose of this Report**

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

*White Nelson Dick Evans LLP*

Irvine, California  
December 23, 2013

The logo for White Nelson Diehl Evans LLP is centered at the top of the page. It features the company name in a serif font, with 'WHITE NELSON DIEHL EVANS LLP' in a larger, bold font above 'Certified Public Accountants & Consultants' in a smaller font. The text is white on a black background.

WHITE NELSON DIEHL EVANS LLP  
Certified Public Accountants & Consultants

Honorable City Council  
of the City of Pico Rivera  
Pico Rivera, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pico Rivera, California (the City) for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 24, 2013 and in our letter on planning matters dated September 24, 2013. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As discussed in Note 1D to the financial statements, the City incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board's Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Also discussed in Note 1D to the financial statements, the City has changed its method for accounting and reporting certain items previously reported as assets or liabilities during fiscal year 2012-2013 due to the early adoption of Governmental Accounting Standards Board's Statement No. 65, "Items Previously Reported as Assets and Liabilities". The adoption of this standard required retrospective application resulting in \$668,524 and \$1,472,018 reductions of previously reported net position of the governmental activities and water operations business-type activity, respectively. No other accounting procedures were adopted and the application of other accounting policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

## Significant Audit Findings (Continued)

### *Qualitative Aspects of Accounting Practices (Continued)*

The most sensitive estimates affecting the City of Pico Rivera's financial statements are as follows:

- a. Management's estimate of the fair market value of investments is based on market values provided by outside sources.
- b. Management's estimate of the useful lives of capital assets for depreciation purposes is based on industry standards.
- c. The funded status and funding progress of the public defined benefit plans with CalPERS is based on actuarial valuations.
- d. The annual required contribution and actuarial accrued liability for the City's Other Post-Employment Benefit Plan is based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial disclosures are particularly sensitive because of their significance to the financial statements users. The most sensitive disclosures affecting the financial statements are reported in Note 8 regarding the retirement plan, Note 9 regarding post-employment benefits plan, Note 16 regarding the recent changes in legislation affecting California Redevelopment Agencies, and Note 14 regarding the restatement of net assets/fund balance at July 1, 2012.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management: the recognition of RPTTF receipts in accordance with a CCMA white paper; a prior period adjustment to recognize previously deferred revenue; and, to reclassify certain revenues recorded in the new internal service fund as transfers in from the General Fund.

## Significant Audit Findings (Continued)

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 23, 2013.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

*White Nelson Dick Evans LLP*

Irvine, California  
December 23, 2013



**To:** City Council

**From:** Mayor Brent Tercero

**Meeting Date:** January 14, 2014

**Subject:** SELECTION OF EXECUTIVE RECRUITMENT FIRM FOR CITY MANAGER POSITION

**Recommendation:**

The Mayor recommends that the City Council select Bob Murray and Associates or Teri Black & Company to conduct the recruitment for the city manager position.

**Fiscal Impact:**

As part of the selection process, Council will determine the appropriate compensation and benefit package for the new city manager.

**Discussion:**

The City Council has requested proposals from four of the top public executive recruiting firms in the state. All four of the proposals received meet the requirements for a successful city manager recruitment and all of the proposals are financially comparable. Further, all of the firms have done a number of successful city manager recruitments.

Thank you for taking the time to review all of the proposals and coming prepared to make a selection so we might move the City forward on this very important selection process that will drive the direction of the City for years to come.

*Brent A. Tercero by [signature]*

Brent A. Tercero  
Mayor

RB:BT:es

Council: Please bring your copies of proposals with you to the meeting.  
*Note: Copies for public review are available in the City Clerk's Office*