

MEMORANDUM

TO: City Council
FROM: City Manager
DATE: December 6, 2018
SUBJECT: Comments on Agenda Items, Meeting of December 11, 2018

ITEM 6.A. This is a Resolution reciting the facts of the November 6, 2018, election, and declaring the results certified.

ITEM 6.B. This is the Ordinance amending Chapter 15.05 (Fireworks) of the Duarte Municipal Code to prohibit the sale or discharge of fireworks in the City.

ITEM 6.C. The Oaths of Office will be given to newly elected Councilmembers Jocelyn Nunez and Bryan Urias, re-elected Councilmembers Tzeitel Paras-Caracci and Margaret Finlay, and re-appointed Councilmember Samuel Kang.

ITEM 6.D. The City Manager will preside over the election of the Mayor/Chairperson, and the new Mayor will preside over the election of the Mayor Pro Tem/Vice Chairperson.

ITEM 6.E. A reception will be held in honor of the newly elected, re-elected, and re-appointed City Councilmembers.

ITEM 10.F (Consent). Per Duarte Municipal Code Section 2.12.090(c), this item asks for City Council concurrence of the appointment of Manuel Enriquez as the new Parks and Recreation Director.

ITEM 10.G (Consent). This is to award a contract to Ruiz Concrete and Paving, Inc., for the Las Lomas Road Sidewalk Repair project. The work consists of the removal of asphalt and the installation of new 4-inch sidewalk, curb and gutter, and driveway approaches that have been damaged by tree roots. The scope of work also calls for landscape improvements and new trees along a meandering-style sidewalk. The new and improved sidewalk will bring connectivity from our frequent walkers south of Huntington Drive to our beautiful parks on Royal Oaks and the Royal Oaks Trail.

ITEMS 10.H (Consent). This item will authorize the City Manager to execute a three-year License Agreement with Southern California Edison (SCE) for the 21-space parking lot at the Duarte Post Office, effective May 1, 2019, through April 30, 2022, with similar terms and conditions remaining unchanged from previous agreements.

ITEM 12.A. The City Manager will introduce new Parks and Recreation Director Manuel Enriquez.

ITEM 12.B. The City Council will be considering both the Burrtec Waste Services annual performance and rate review item tonight. Overall, the Company was found to be in compliance with all elements of the Performance Review process. However, due to the ongoing effects from the "China National Sword" policy introduced in January of 2018, both residents and businesses are going to be experiencing increases in disposal and recycling costs in excess of the CPI which is 3.9 %. This is only the second time in the history of the contract that costs have risen in excess of this rate. Prior to January of 2018, the U.S., as well as other countries, has relied almost solely on China to accept recyclables such as paper, cardboard, and plastics. Since the introduction of the policy, China has established strict new contamination thresholds, which include bans on mixed paper and various grades of post-consumer plastics. This shift has impacted recycling programs and is most evident in the residential credit Duarte residents receive for recyclables, which has reduced from 69 cents to 17

cents; a difference of 52 cents in one year. Specifically, residents will be paying 6.4% more for the most common form of disposal; the 90/60/60 service is going from \$22.45 to \$23.89 per month. For businesses, the 3-yard bin service once per week will go up 7.4%, resulting in a change from \$170.12 to \$182.76 per month. Despite these increases, Duarte continues to maintain some of the lowest rates in Los Angeles County for the most common residential service, and falls in the mid-range for the most common commercial service.

ITEM 12.C. The City Council will make appointments to the intergovernmental organizations for the upcoming year.

ITEM 12.D. The City Council will receive and file the Audited Financial Statements for the fiscal year ended June 30, 2018. The auditor found them to be prepared in accordance with generally accepted accounting principles, and to fairly present the financial position of the City. There were no major findings or deficiencies. With the combination of several positive changes in activity (both revenues and expenses), the City ended the fiscal year with a General Fund cash surplus of \$1.5 million, leaving the City with a General Fund reserve of \$6.5 million. The anticipated surplus at mid-year was projected to be \$661,000.

Respectfully submitted,



Darrell J. George
City Manager

RESOLUTION NO. 18-47**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE, CALIFORNIA, RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2018, AND DECLARING THE RESULTS AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

WHEREAS, a General Municipal Election was held and conducted in the City of Duarte, California, on Tuesday, November 6, 2018, as required by law; and

WHEREAS, notice of the election was given in time, form, and manner as provided by law; that voting precincts were properly established; that election officers were appointed, and that in all respects the election was held and conducted and the votes were cast, received, and canvassed, and the returns made and declared in time, form, and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, pursuant to Resolution No. 18-19 adopted June 12, 2018, the Los Angeles County Election Department canvassed the returns of the election and has certified the results to this City Council; and the results are received, attached, and made a part hereof as "Exhibit A;"

NOW, THEREFORE, the City Council of the City of Duarte, California, does hereby resolve, declare, determine, and order as follows:

Section 1. The whole number of votes cast in the precincts, except absent voter/vote-by-mail votes, was 5,627.

The whole number of absent voter/vote-by-mail votes cast in the City was 4,642, making a total of 10,269 votes cast in the City.

Section 2. (a) The names of persons voted for at the election for Member of the City Council are as follows: Jack Corson Chang, Margaret E. Finlay, Cesar Andres Garcia, Jocelyn Nunez, Dolores Ortiz, Tzeitel Paras-Caracci, Art Rodriguez, Jr., Evangelina Sanchez, Mike Sharble, Jarrett Stoltzfus, Bryan Urias, and David Van de Wetering.

(b) The measure voted upon at the election is as follows:

Measure F: Shall the City of Duarte's Fireworks Ordinance (set forth in Chapter 15.05 of the Duarte Municipal Code) be amended to prohibit the sale and discharge of all fireworks everywhere in the City at all times unless the fireworks are part of a public display permitted pursuant to Section 15.05.090 of the Duarte Municipal Code?

Section 3. The number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates, and for and against the measure, are as listed in "Exhibit B" attached.

Section 4. (a) The City Council does declare and determine that Tzeitel Paras-Caracci (District 1) was elected as Member of the City Council for the full term of four years; Margaret E. Finlay (District 4) was elected as Member of the City Council for the full term of four years; Bryan Urias (District 6) was elected as Member of the City

Council for the full term of four years; and Jocelyn Nunez (District 7) was elected as Member of the City Council for a term of two years.

(b) The City Council does declare and determine that a majority of the voters voting on the measure relating to the prohibiting of fireworks did vote in favor of it, and that the measure was carried, and shall be deemed adopted.

Section 5. The City Clerk shall enter on the records of the City Council of the City a statement of the result of the election showing: (1) The whole number of votes cast in the City; (2) The names of the persons voted for; (3) The measure voted upon; (4) For what office each person was voted for; (5) The number of votes given at each precinct to each person, and the number of votes for and against each measure; and (6) The total number of votes given to each person, and the total number of votes for and against each measure.

Section 6. The City Clerk shall make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated, and the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California, and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

Section 7. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, and ADOPTED this 11th day of December, 2018.

Mayor John Fasana

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. 18-47 was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the 11th day of December, 2018, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

City Clerk Marla Akana
City of Duarte, California

Los Angeles County
Registrar-Recorder/County Clerk

Certificate of the Canvass of the Election Returns

I, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, of the State of California, DO HEREBY CERTIFY that pursuant to the provisions of Section 15300 et seq. of the California Elections Code, I did canvass the returns of the votes cast for each elective office and/or measure(s) for

Duarte City

at the General Election, held on the 6th day of November 2018.

I FURTHER CERTIFY that the Statement of Votes Cast, to which this certificate is attached, shows the total number of ballots cast in said jurisdiction, and that the whole number of votes cast for each candidate and/or measure(s) in said jurisdiction in each of the respective precincts therein, and the totals of the respective columns and the totals as shown for each candidate and/or measure(s) are full, true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 30th day of November 2018.



Dean Logan
DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

EXHIBIT "B"
Resolution No. 18-47

**CANVASS OF VOTES CAST FOR ALL CANDIDATES FOR THE OFFICES OF MEMBER OF THE CITY COUNCIL
AND MEASURE F AT THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2018**

Precinct Number	Chang	Finlay	Garcia	Nunez	Ortiz	Paras-Caracci	Rodriguez	Sanchez	Sharble	Stoltzfus	Urias	Van de Wetering	Measure F YES NO	Total Votes Cast
5A		235										113	163 205	716
8A													183 196	379
11A		VBM										VBM	VBM VBM	VBM
12B													274 248	522
15A			144				49	95			149		178 280	895
17A													91 81	172
20A	53			211					88	69			183 257	861
21A													VBM VBM	VBM
23A					136	124							129 155	544
25A													268 314	582
26B													100 86	186
31A					115	245							206 204	770
Total Precinct	53	235	144	211	251	369	49	95	88	69	149	113	1775 2026	5627
Absentee and Vote by Mail	45	319	84	125	137	342	36	62	76	39	124	103	1795 1355	4642
Total Votes Cast	98	554	228	336	388	711	85	157	164	108	273	216	3570 3381	10,269 Votes Cast

BALLOTS 7,447 Total Ballots Voted (10,269 Votes Cast)
 63.11% of 11,800 Registered Voters

ORDINANCE NO. 888

AN ORDINANCE OF THE PEOPLE OF THE CITY OF DUARTE AMENDING CHAPTER 15.05 (FIREWORKS) OF THE DUARTE MUNICIPAL CODE TO PROHIBIT THE SALE OR DISCHARGE OF FIREWORKS IN THE CITY OF DUARTE

WHEREAS, pursuant to Section 12541 of the California Health and Safety Code, a city may, by ordinance, prohibit or regulate the sale, use or discharge of fireworks; and

WHEREAS, Chapter 15.05 (Fireworks) of the Duarte Municipal Code currently regulates the sale, use and discharge of fireworks; and

WHEREAS, it is in the interest of the public health, safety and welfare to prohibit the sale and discharge of fireworks in the City of Duarte; and

WHEREAS, pursuant to Section 9222 of the California Elections Code, the City Council has determined to submit to the voters at a Special Municipal Election a ballot measure amending Chapter 15.05 (Fireworks) of the Duarte Municipal Code to prohibit the sale and discharge of fireworks in the City of Duarte except for public firework displays that have obtained a discretionary permit approved by the City Council pursuant to Section 15.05.090 of the Duarte Municipal Code.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF DUARTE,
CALIFORNIA, DO ORDAIN AS FOLLOWS:**

SECTION 1. Findings. The above recitals are true and correct and incorporated herein.

SECTION 2. Municipal Code Amendment. Chapter 15.05 (Fireworks) of the Duarte Municipal Code is hereby amended to read as follows (deletion shown as ~~strike-out~~ and addition as underline):

Chapter 15.05 – FIREWORKS

- 15.05.010 - Rules and regulations effected.
- 15.05.011 - ~~Restrictions~~ Prohibition on sale or discharge.
- 15.05.012 - ~~Reserved Days when fireworks may be discharged.~~
- 15.05.013 - ~~Reserved Discharge in northerly area prohibited.~~
- 15.05.020 - ~~Reserved Fraternal organization defined.~~
- 15.05.030 - ~~Reserved Licenses for sale of safe and sane fireworks.~~
- 15.05.040 - ~~Reserved Utilization of profits.~~
- 15.05.050 - ~~Reserved Application.~~
- 15.05.060 - ~~Reserved Procedure for issuing outdoor stand permit.~~
- 15.05.081 - ~~Reserved Obligations of sellers of fireworks.~~
- 15.05.090 - Public fireworks displays.
- 15.05.100 - Penalties for violation.
- 15.05.110 - Provisions supplementary.

15.05.010 - Rules and regulations effected.

In addition to the rules, regulations and requirements relative to the manufacture, possession, transportation, display, sale, storage, use or discharge of "Dangerous Fireworks and Safe and Sane Fireworks" set forth or referred to in the State Fireworks Law, codified in Part 2 of Division 11 of the California Health and Safety Code of the state (California Health and Safety Code Section 12500 et seq.) as same now exist or may hereafter be amended, the following rules, regulations and requirements are promulgated and established. The definitions contained in Part 2 of Division 11 of the Health and Safety Code shall be a part of this chapter and are incorporated herein by this reference.

15.05.011 - ~~Restrictions~~ Prohibition on sale or discharge.

(a) Except as provided in this chapter, the sale, offering for sale, or the discharge of fireworks of any kind, nature or description, including those devices defined as fireworks in California Health and Safety Code Section 12511, is prohibited within the city.

(b) Any property owner or person in control of property who allows a person to sell, offer to sell, or use, ~~discharge or possess~~ fireworks that are not "safe and sane" expressly permitted by this chapter on such property shall be in violation of this section, irrespective of such person's intent, knowledge or negligence, said violation hereby being expressly declared a strict liability offense.

15.05.012 - Reserved ~~Days when fireworks may be discharged.~~

~~(a) Except as otherwise provided in this chapter, safe and sane fireworks may be discharged only on July 4 beginning at noon and ending at eleven p.m.~~

~~(b) Safe and sane fireworks shall not be discharged at any other time nor in any other zone or area other than provided in this chapter.~~

15.05.013 - Reserved ~~Discharge in northerly area prohibited.~~

~~It is unlawful for any person, firm or corporation to discharge any fireworks in any area of the city lying northerly of Royal Oaks Drive, except within those portions of Royal Oaks Park which are specifically designated for such discharge by the director of parks and recreation or his/her designee.~~

15.05.020 - Reserved ~~Fraternal organization defined.~~

~~For purposes of this chapter, "fraternal organization" means any bona fide nonprofit club, society or association, organized or incorporated for civic, community service, benevolent, patriotic or charitable purposes, and having an established "Duarte membership." "Duarte membership," as used in this section, means membership consisting of at least seventy-five percent of juvenile or adult persons who are either:~~

~~(a) Duarte residents; or~~

~~(b) Employed in Duarte; or~~

~~(c) Owners or operators of a business or other establishment located in Duarte.~~

15.05.030 - Reserved Licenses for sale of safe and sane fireworks.

~~Licenses for the sale of safe and sane fireworks shall be issued only to fraternal organizations, and such fireworks shall be sold only at outdoor sales stands, as more specifically set forth hereinafter. No more than five such licenses shall be issued and outstanding at any time. All applications for such licenses shall be filed with the city clerk on or before five p.m. on the third Thursday of January of each year, containing a detailed statement of each and every kind of fireworks proposed to be sold under the license, the location of the proposed outdoor sales stand, the type of construction of the stand, the dates and hours that the applicant proposes the stand be open, the plans for staffing the stand during those days and hours, and such other information as the city manager shall reasonably require in order to assist the city council in evaluating the application.~~

15.05.040 - Reserved Utilization of profits.

~~Sales permit shall be granted only to fraternal organizations which agree that the net profit from the sales shall be utilized only for youth activities in accordance with provisions of this chapter. The following specific provisions and requirements shall apply:-~~

~~(a) At least seventy-five percent of the youth participating in and benefiting from such activities shall be residents of the city of Duarte.~~

~~(b) Each permit application shall contain a detailed statement of the youth activities for which the applicant proposes to use such net profits and the manner of such use.~~

~~(c) No part of the net profits shall be disbursed to other governmental agencies or entities as a gift or contribution.~~

~~(d) Except for organizations whose primary purpose is youth service, such net profit shall be expended for new programs or the expansion of existing programs, and shall not be used as replacement income for funds previously raised by the organization through other methods of fund raising. An organization shall be deemed to have a primary purpose of youth service if ninety percent or more of its budget is spent for youth service activities.~~

15.05.050 - Reserved Application.

~~Each permit application shall be accompanied by an application fee established by resolution of the city council, which shall not be refundable. The application shall contain, in addition to all other information required by this chapter, the following information:-~~

~~(a) A statement of the number and residency of the members of the applicant organization, which statement shall be certified as to accuracy by an officer of the applicant organization;~~

~~(b) A statement of the number of youth to be served by the applicant and the residency of such youth;~~

~~(c) A statement certifying that applicant organization agrees to all terms and conditions of the license and this chapter.~~

15.05.060 - Reserved Procedure for issuing outdoor stand permit.

~~(a) Upon receipt of any application for any permit for the sale of fireworks from any outdoor stand, the city clerk shall promptly refer the application to the city manager for his consideration, report and recommendations thereon. The city manager shall cause the application to be checked for compliance with applicable law and other provisions of this code. Such report, when ready, shall be filed with the city clerk for submission to the city council.~~

~~(b) Upon considering any such application, the city council may either grant or deny the application or may take it under further advisement, or order further reference thereof to any department of the city for further report, in its discretion.~~

~~(c) Applicant organizations shall file a statement agreeing that all profits will be utilized in accordance with the requirements of Section 15.05.040, and, if such organization has previously received a fireworks permit, that all previous receipts have been so expended.~~

~~(d) No applicant for any such outdoor stand or any other person, firm or corporation shall commence to erect or make any preparation to erect, whether by deposit of materials or otherwise, any such outdoor stand unless and until:~~

~~(1) The council has finally approved the application and authorized the issuance of permit therefor, as herein required;~~

~~(2) The authorized permittee has obtained a temporary building permit from the building inspector of the city for the erection of such temporary outdoor stand; and~~

~~(3) Has obtained a temporary permit for the installation by a duly licensed electrical contractor of any electrical installations in, at or about such outdoor stand; provided, however, that if the permittee does not, and certifies to the building inspector in writing that any such outdoor stand will not be open for business after one-half hour after sunset of any day, such electrical permit shall not be required; provided, however, that in the event any artificial or other lighting is used, such lighting must be electrical and no other type of lighting may be employed or used at any such stand.~~

~~(e) No such outdoor stand, or any part thereof, shall be located at any point nearer than one hundred fifty feet measured in a straight line from the nearest line of any lot or parcel of land upon which any gasoline or oil station is located. In all cases, all such~~

~~outdoor stands shall be located in such places as are least likely to catch fire or communicate fire to adjacent or nearby properties, and at least five feet inside the property line, and all such locations shall be subject to the approval of the fire chief or his authorized representative. It shall be the duty of each such permittee and of all persons engaged in or about the storage or sale of fireworks at any such outdoor stand to comply with the reasonable orders and directions of the fire chief or his authorized representative, and to remove from the immediate vicinity of any such outdoor stand any and all combustible materials and growths of weeds, grass or other plantings which are apt to become ignited in case of fire.~~

~~(f) No minor under the age of eighteen years shall be permitted to be in charge of or to make sales of or to otherwise be concerned with the handling of fireworks in or from any such stand; provided, however, that nothing herein contained shall be construed as preventing the sale to minors in the ordinary course of business of such fireworks from such stands.~~

~~(g) All displays and stocks of fireworks in or at any such stand shall be stored and displayed in such manner as to be difficult of access to or by the general public, and each such stand shall be equipped with at least one two and one-half gallon soda and acid type fire extinguisher in good and immediate working condition and easily accessible for immediate use, for each fifteen feet of counter space or fraction (over three feet) thereof, and such other first aid fire fighting equipment as required by the fire chief.~~

~~(h) Each such stand and all materials used in or about same shall be completely removed before midnight of the twelfth of July of the year in which same was erected, and the site restored as nearly as reasonably possible to the same condition as that in which it existed immediately prior to the erection of such stand. It shall be the duty of the permittee to make such removal within that time.~~

15.05.081 - Reserved Obligations of sellers of fireworks.

It shall be the responsibility of each recipient of a permit under this chapter to comply with the following requirements:

~~(a) There shall be included with each sale of fireworks a "flyer" notifying the purchaser of the restriction established by Section 15.05.013. The city shall furnish a specimen of the flyer, which shall be reproduced by and at the expense of the permittee.~~

~~(b) Large visible posters shall be erected at the point of sale of the fireworks to notify purchasers of the restriction established by Section 15.05.013. The city shall provide the posters, which shall be returned to the city after use.~~

15.05.090 - Public fireworks displays.

Notwithstanding any other provision of this chapter, the city council, in its discretion, may grant permits for public displays of fireworks under the supervision of the fire chief. Applications for such permits shall be filed with the fire chief not less than ten days before such public display and shall be accompanied by a detailed statement of the items of such proposed display. If such permit is granted, no items shall be displayed

except as are contained in such statement and the city council may in granting such permit eliminate from the statement such items as it deems hazardous and it is unlawful for the grantee of such permit to exhibit or display such eliminated items. Such public display shall be under the supervision of the fire chief and/or such persons as he shall designate and authorize. The fee for such permit shall be one hundred dollars for each display; ~~provided, however, that the city council may waive or reduce such fee, in its discretion, where the application is made by a fraternal organization. Such display and/or displays shall be held at such place and time as designated in the permit.~~

15.05.100 - Penalties for violation.

(a) Whenever an officer charged with the enforcement of any provision of the municipal code determines that a violation of this chapter has occurred, the officer shall have the authority to issue an administrative citation to any person responsible for the violation.

(b) Whenever an officer charged with the enforcement of this chapter determines that a violation of the chapter has occurred, the officer may issue an administrative citation for each violation found to have occurred.

(c) Citations issued pursuant to this chapter shall carry administrative fines as follows:

~~(1) One thousand dollars for the first and subsequent violations of this chapter.~~ Section 15.05.011.

~~(2) Two hundred fifty dollars for the first violation and five hundred dollars for all subsequent violations of any other provision of this chapter.~~

(d) Violations of this chapter may also be cited as criminal misdemeanor violations in accordance with Chapter 1 of this code.

15.05.110 - Provisions supplementary.

The provisions of this chapter are supplementary to the provisions of the fire code of the county of Los Angeles adopted by reference in Chapter 15.04. In case of direct conflict between the provisions of the fire code of the county and the provisions of this chapter, the provisions of this chapter shall prevail. Except with respect to such direct conflict, the provisions of the fire code of the county shall remain in full force and effect.

SECTION 3. Severability. If any section, subsection, sentence, clause phrase or portion of this Ordinance is for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, then the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The People of the City of Duarte, California, hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 4. Election Required. This Ordinance shall not become effective unless and until a majority of City voters voting on this measure vote to approve it at the Special Municipal Election to be held on November 6, 2018.

SECTION 5. Effective Date. This Ordinance shall go into effect ten (10) days after the date on which the election results are declared by the City Council.

SECTION 6. Execution. The Mayor is hereby authorized to attest to the adoption of this Ordinance by the voters of the City of Duarte by signing where indicated below. The City Clerk is authorized to publish this Ordinance in compliance with law.

THE FOREGOING ORDINANCE was approved by the following vote of the People of the City of Duarte on November 6, 2018:

YES: 3,570

NO: 3,381

THE FOREGOING ORDINANCE was adopted by Declaration of the vote at the November 6, 2018, General Municipal Election by the City Council of the City of Duarte at a regular meeting thereof held on December 11, 2018, by the following vote:

AYES:

NOES:

ABSENT:

Mayor John Fasana

ATTEST:

Marla Akana, City Clerk

please join us

*The City of Duarte invites you to attend a Welcome Reception in honor
of our newly elected City Councilmembers
Jocelyn Nunez and Bryan Urias,
our re-elected City Councilmembers
Margaret Finlay and Tzeitel Paras-Caracci,
and our re-appointed City Councilmember Samuel Kang*

*The reception will be held at the beginning of the regular
Duarte City Council Meeting on Tuesday,
December 11, 2018, at 7:00 p.m.
following the reorganization of the City Council*

*Councilmembers Nunez, Urias, Finlay, Paras-Caracci, and Kang
will be administered the Oath of Office, and officially begin their terms*

*Please join with us in congratulating and welcoming
our Duarte City Council*

*LOCATION: Duarte City Council Chambers
1600 Huntington Drive, Duarte
DATE: Tuesday, December 11, 2018
TIME: 7:00 p.m.*

MINUTES

JOINT CITY COUNCIL/CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED REDEVELOPMENT AGENCY/HOUSING AUTHORITY/COMMUNITY FACILITIES FINANCING AUTHORITY OF THE CITY OF DUARTE REGULAR MEETING – NOVEMBER 27, 2018

CALL TO ORDER	The City Council/City Council as Successor Agency to Dissolved Redevelopment Agency/Housing Authority/Community Facilities Financing Authority of the City of Duarte met in a regular meeting in the Council Chambers, 1600 Huntington Drive, Duarte, California. Mayor Pro Tem Reilly called the meeting to order at 5:02 p.m.
RECORDATION OF ATTENDANCE	The following were in attendance: PRESENT: Finlay (arrived at 5:03 p.m.), Kang, Paras-Caracci, Reilly, Fasana (arrived at 5:03 p.m.) ABSENT: None ADMINISTRATIVE STAFF PRESENT: City Manager George, City Attorney Cosgrove
ADOPTION OF AGENDA	Paras-Caracci moved, Kang seconded to adopt the Agenda, and carried with Finlay and Fasana not present.
CLOSED SESSION Pending Litigation	There was no public input. Reilly stated the Closed Session was pursuant to Government Code Section 54956.9(a); Pending Litigation; <i>Cities of Duarte et al v. State Water Resources Control Board et al</i> , Orange County Superior Court Case No. 30-2016-00833614-CU-WM-CJC and Related Case <i>City of Gardena v. Regional Water Quality Control Board-Los Angeles Region, et al</i> , Orange County Superior Court Case No. 30-00833722-CU-WM-CJC. The Closed Session concluded at 5:55 p.m.
RECEPTION	At 6:00 p.m., a Reception was held for Retiring Director of Parks and Recreation Cesar Monsalve. City Council reconvened at 7:06 p.m., with all members present.
PLEDGE TO THE FLAG	Tina Heany led the Pledge of Allegiance to the Flag.
MOMENT OF REFLECTION	Reilly provided a moment of reflection.
FITNESS/MENTAL WARM-UP	Cosgrove and Finlay provided the warm-up.
PUBLIC REPORT OF CLOSED SESSION	Cosgrove announced the City Council met in a Closed Session as stated above, and the status of the pending litigation was discussed, with no reportable action was taken.
SPECIAL ITEMS Recognition – Cesar Monsalve Director of Parks/Recreation	Darrell George stated this is a bittersweet occasion, and congratulated Cesar Monsalve on his retirement after a total of 27 years of employment with the City of Duarte, including seven years as Director of Parks and Recreation. Mayor Fasana presented Cesar a plaque from Assemblymember Rubio, a Certificate from Congressman Napolitano, and a City of Duarte plaque in recognition of his 27 years of service to the City of Duarte as

	Parks and Recreation Supervisor, Parks and Recreation Superintendent, and Parks and Recreation Director, from April 1991 – December 2018.
Recognition – Jim Enriquez LACo Fire Dept. Assistant Chief	Mayor Fasana presented a plaque to retiring Los Angeles County Fire Department Assistant Chief Jim Enriquez, and thanked him for his service to the community.
Public Safety update	Brian Villalobos presented the monthly Public Safety update, including recent incidents and crime statistics.
ANNOUNCEMENTS	Joanna Gee, Duarte Library, announced upcoming classes, programs, events, workshops, and story times in December. Tina Heany announced upcoming Chamber events, luncheons, and mixers in November and December. Karen Herrera announced upcoming community events, meetings, programs, and activities in November and December.
ORAL COMMUNICATIONS	The following spoke on items not on the Agenda. Steve Koffroth – LA County Sanitation Districts workers. Mo Bina – L.A. County Sanitation Districts workers’ petition. Basil Hewitt – L.A. County Sanitation Districts services, wages.
CONSENT CALENDAR	Kang moved, Finlay seconded to approve the Consent Calendar as follows, and carried unanimously. Approve Items A, B, C, G. Remove Items D, E, F.
ITEMS REMOVED Item D – Council Bill 18-R-44 Water Quality Authority Votes	Council Bill 18-R-43 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE, CALIFORNIA, CASTING ITS TWO VOTES FOR COUNCILMEMBER _____ TO REPRESENT CITIES WITHOUT PRESCRIPTIVE PUMPING RIGHTS ON THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY Rosemead City Councilmember Margaret Clark requested that the Council support her as the representative on the San Gabriel Basin Water Quality Authority Board.
ITEM D – APPROVED RESOLUTION NO. 18-44 WQA Votes – Margaret Clark	Reilly moved, Kang seconded to cast the City’s two votes for Rosemead Councilmember Margaret Clark, and carried by the following Roll Call vote: AYES: Paras-Caracci, Finlay, Kang, Reilly NOES: None ABSTAIN: Fasana
Item E – Council Bill 18-R-45 Street Vendor Permit Fee	Council Bill 18-R-45 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE, CALIFORNIA, APPROVING A STREET VENDOR PERMIT FEE Staff answered questions from Councilmembers about the fee.
ITEM E – APPROVED RESOLUTION NO. 18-45	Reilly moved, Fasana seconded to adopt Resolution No. 18-45, and carried unanimously.

Item F – Hazard Mitigation Plan
Emergency Planning Consultants

Jason Golding, Planning Division Manager, presented a staff report about the item.

ITEM F – APPROVED

Reilly moved, Finlay seconded to authorize the City Manager to execute a Professional Services Agreement with Emergency Planning Consultants in the amount of \$25,000 for the preparation of an update to the Local Hazard Mitigation Plan, and to authorize a budget amendment in the amount of \$25,000, and carried unanimously.

PUBLIC HEARINGS
Council Bill 18-R-46
Duarte Plaza Development LLC
1303-1305 Huntington Drive

Mayor Fasana announced this was the time and place set for a Public Hearing to consider this item, and read by title Council Bill 18-R-46:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE AUTHORIZING THE EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT FOR THE SALE OF CERTAIN PROPERTIES LOCATED AT 1303 AND 1305 HUNTINGTON DRIVE (ASSESSOR'S PARCEL NUMBERS 8530-004-903 AND 8530-004-905) TO DUARTE PLAZA DEVELOPMENT LLC FOR THEIR FULL FAIR MARKET VALUE

Notice of the hearing was given, the affidavit is on file, and no written communications were received concerning the item.

Craig Hensley presented the staff report about the Purchase, Sale, and Development Agreement pertaining to 1303 and 1305 Huntington Drive, showed a PowerPoint of the proposed project, and introduced the developer and real estate broker, who provided additional information and answered questions from Councilmembers about tenants and size of buildings

Cosgrove discussed property valuation analysis and development costs.

Mayor Fasana asked if there was anyone in the audience who wished to speak on the matter.

Steve Hernandez stated this will attract other businesses to want to do more, it meets what the ad hoc committee report recommended, and we are moving in the right direction.

Reilly moved, Fasana seconded to close the Public Hearing, and carried unanimously.

There was discussion about groundbreaking, completion date, letters of intent, lessees, cost per square foot, and expected triple net.

RESOLUTION NO. 18-46

Reilly moved, Paras-Caracci seconded to adopt Resolution No. 18-46, and carried by the following Roll Call vote:

AYES: Paras-Caracci, Finlay, Reilly, Fasana

NOES: None

ABSTAIN: Kang

Community Development Block
Grant (CDBG) FY 2019/20

Mayor Fasana announced this was the time and place set for a Public Hearing to consider this item.

Notice of the hearing was given, the affidavit is on file, and no written communications were received concerning the item.

Tina Gall, CDBG Consultant, presented the staff report about the request pertaining to the FY 2019/20 CDBG budget, and answered questions pertaining to cost for ADA curb ramps and bid process.

Amanda Hamilton, Public Works Manager, provided information about ADA compliance requirements.

Mayor Fasana asked if there was anyone in the audience who wished to speak on the matter. There were none.

Reilly moved, Paras-Caracci seconded to close the Public Hearing, and carried unanimously.

Finlay moved, Paras-Caracci seconded to (a) Allocate \$151,723 in CDBG funding to continue the installation of Americans with Disabilities (ADA) Curb Ramp Project; (b) Authorize the City Manager to execute all necessary contract documents in a form approved by the City Attorney; and (c) Authorize staff to make adjustments to projects due to final funding allocations and/or as needed due to programmatic interpretations by the Los Angeles County Community Development Commission (LACDC), per staff recommendation, and carried unanimously.

BUSINESS ITEM
2018 Housing Strategy

Karen Warner, Karen Warner Associates, presented the 2018 Housing Strategy Report, including mid-term update, key housing needs, affordability, preservation, conditions, regional housing needs progress, guiding assistance principles, and housing activities, and answered questions regarding collection of data and census information.

Finlay moved, Reilly seconded to approve the 2018 Housing Strategy, and carried unanimously.

ORAL COMMUNICATIONS
(Continued)

The following spoke on items not on the Agenda.

Karen Herrera – Welcome Reception for City Councilmembers.

ITEMS FROM CITY COUNCIL/
CITY MANAGER

COSGROVE: Stated he is looking into the ordinance pertaining to accessory dwelling units.

GEORGE: Stated the City of Hope has invited Councilmembers to visit the Rose Parade float, and he will make arrangements.

PARAS-CARACCI: Expressed appreciation and congratulations to Cesar Monsalve.

REILLY: Congratulated Cesar Monsalve, congratulated Sean Lawrence as YMCA volunteer of the year, attended community

health improvement leadership academy, the holiday events flyer is fantastic, stated the sidewalk on the corner of Royal Oaks and Encanto Parkway ends on Encanto, people walk across the mulch, and suggested we look at completing the sidewalk, and attended the program about grief at the Senior Center and the Mayor's Prayer Breakfast.

FINLAY: Provided information about the SGV Mosquito Vector Control issue with mosquitos in storm drains and urban runoff, there was a tweet during the election with incorrect information about where she lives, the voluntary turnover rate for Sanitation District workers is 1% or lower, inquired about City employees' contribution to PERS (Petersen responded), and stated she will miss Cesar, he made a difference in the City, and she appreciates it.

KANG: Stated Cesar will be greatly missed, thanked him for all his accomplishments, discussed an incident with a homeless person, Sheriff's are being proactive with the transient situation, related an experience he observed at the park, and inquired about traffic signal at Buena Vista/Duarte and Mountain/Duarte (George and Hensley responded).

FASANA: Stated he received a notice from Woodward Aerospace about the upcoming closing of its Duarte facility, inquired about consistency of street names (Hensley responded), thanked all who attended the Mayor's Prayer Breakfast, he participated in a phone survey with the Boys and Girls Club of Monrovia regarding a possible merger, received information about parks from AARP, stated Cesar will be missed, provided information to staff about the Hayden 5K event, stated Metro is looking at giving letter names to transit lines, congratulated all who ran in the election and those that prevailed, it looks like Measure F is going to pass, his term as Mayor is concluding, the Mayor is the representative to the Sanitation Districts, and stated we value the work of the Sanitation Districts.

ADJOURNMENT

Finlay moved, Kang seconded to adjourn the meeting at 9:50 p.m., and carried unanimously.

Mayor John Fasana

ATTEST:

City Clerk



City of Duarte

Council Warrant Register by Account By Fund

Payment Dates 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 100 - GENERAL FUND					
100-1005-7980	SHAFFER AWARDS	Jim Enriquez City Plaque	211534		65.65
100-1010-7610	KAREN HERRERA	Conference/Meeting Expense Reimbursement	211507		1,163.60
100-1010-7614	STAPLES ADVANTAGE	Office Supplies	211535		12.51
100-1010-7614	STAPLES ADVANTAGE	Office Supplies	211535		88.96
100-1010-7650	EXXONMOBIL	Fuel-City Manager	211442		87.12
100-1010-7980	SHAFFER AWARDS	Cesar Monsalve Retirement Plaque	211534		32.15
100-1020-7710	LUDECKE PROPERTY MANAGEMEN	Chamber Lease 12/2018	211451		1,600.00
100-1020-7711	SMART & FINAL	Turkey Feast Supplies	140		198.98
100-1020-7716	LUPE VALERIO	Veteran's Day Event Refreshments/Gifts	211465		47.47
100-1020-7716	SMART & FINAL	Veteran's Day Refreshments/Supplies	140		248.61
100-1020-7716	CURO MANAGED PRINT PRODUCTI	Mayor's Prayer Breakfast Programs	211489		674.15
100-1020-7716	FSP DESIGNS	Mayor's Prayer Breakfast Banners	211500		67.19
100-1020-7716	DEKRA-LITE INDUSTRIES INC	Pole Mount 5.5' Half Snowflake, LED	211492		6,246.49
100-1020-7716	DEKRA-LITE INDUSTRIES INC	37" H LED Lighted Blue Fiberglass Ball Ornament	211492		684.92
100-1020-7716	DEKRA-LITE INDUSTRIES INC	Regal Illuminated Snowflake w/Silver Frame	211492		5,863.73
100-1020-7716	DEKRA-LITE INDUSTRIES INC	Illuminated Star "Waterloo"	211492		5,635.09
100-1020-7716	DEKRA-LITE INDUSTRIES INC	37" H LED Lighted Red Fiberglass Ball Ornament	211492		684.92
100-1020-7716	DEKRA-LITE INDUSTRIES INC	Regal Walk Through Ornament	211492		6,479.66
100-1020-7720	DUARTE PUBLIC ACCESS INC	Fisrt 1/2 of FY19 Contract	211495		13,802.50
100-1020-7724	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		115.00
100-1020-7726	LEVON YOTNAKHPARIAN	CC Cablecast 8/18 - 10/18	211550		3,300.00
100-1020-7726	LEVON YOTNAKHPARIAN	CC Cablecast 11/13/18	211550		550.00
100-1020-7980	KELLY BARNES	Annual Awards Dinner Desserts	211475		531.00
100-1020-7980	HOME DEPOT CREDIT SERVICES	Holiday Lighting Electrical	211447		67.78
100-1205-7610	DUARTE PUBLIC SAFETY PETTY CAS	Board of Supervisors Mtg Parking 10/16/18	211440		20.00
100-1205-7612	CACEO	Don Vaillancourt 2019 Membership Dues	211481		95.00
100-1205-7612	CACEO	Juan Oseguera 2019 Membership Dues	211481		95.00
100-1205-7612	CACEO	Larry Breceda 2019 Membership Dues	211481		95.00
100-1205-7614	DUARTE PUBLIC SAFETY PETTY CAS	Office Supplies (Target)	211440		5.99
100-1205-7636	DUARTE PUBLIC SAFETY PETTY CAS	Uniform Patch	211440		7.12
100-1205-7650	MOUNTAIN VIEW TIRE & SERVICE I	Veh 24 Flat Tire Repair	211524		25.95
100-1205-7650	HUNTINGTON & DUARTE INC	Veh 24 Fuel 10/22/18	211457		50.00
100-1205-7650	HUNTINGTON & DUARTE INC	Veh 30 Fuel 9/15/18	211457		40.36
100-1205-7650	LA MOBO BUS SERVICE INC	Veh 20 PM Srvc/Fan Clutch/Temp Sensor	211515		828.19
100-1205-7650	LA MOBO BUS SERVICE INC	Veh 27 PM Service/45 Day Inspection	211515		211.72
100-1205-7655	T-MOBILE	Emergency Asset Tracking 10/21/18 - 11/20/18	211542		12.75
100-1205-7655	LOGMEIN USA INC	Emergency Conference Call Line 11/10/18 - 11/9/19	211450		348.00
100-1205-7655	THOMSON REUTERS-WEST PUBLIS	Emergency Software 10/1/18 - 10/31/18	211464		148.53
100-1205-7760	SAN GABRIEL VALLEY COUNCIL OF	Homeless Planning Grant (2nd Payment)	211532	201826-Homeless Outreach	22,900.00
100-1205-7761	SUPERIOR CT OF CAL CO OF LOS AN	Citation Revenue Tax 10/2018	211539		9,884.00
100-1205-7761	DATA TICKET INC	Admin Citation Processing 10/2018	211491		988.84
100-1205-7761	DATA TICKET INC	Parking Citation Processing 10/2018	211491		1,783.42
100-1205-7779	WALMART COMMUNITY/RFCSELLC	Office Space Heater	211547		31.12
100-1205-7779	DUARTE PUBLIC SAFETY PETTY CAS	Red Ribbon Week Supplies	211440		15.43
100-1205-7779	DUARTE PUBLIC SAFETY PETTY CAS	A-Team Knott's Berry Farm Parking (4 Vehicles)	211440	201914-Youth Programs-Cal VIP	76.00
100-1205-7779	ROTARY CLUB OF DUARTE	A-Team Breakfast w/Santa Event	211531		198.00
100-1205-7779	KIWANIS CLUB OF DUARTE	A-Team Family Fun Fest Tickets	211514		525.00
100-1205-7780	COUNTY OF LOS ANGELES - ANIMA	Animal Shelter Services 10/2018	211487		2,709.81
100-1205-7781	HUNTINGTON & DUARTE INC	Sheriff's Dept Fuel 10/23/18	211457		61.30
100-1205-7781	HUNTINGTON & DUARTE INC	Sheriff's Dept Fuel 10/24/18	211457		45.71
100-1205-7781	HUNTINGTON & DUARTE INC	Sheriff's Dept Fuel 11/15/18	211457		47.46
100-1205-7787	MOUNTAIN VISTA PLAZA	Public Safety Lease	211455		11,098.59
100-1205-7980	WALMART COMMUNITY/RFCSELLC	Office Supplies/City of Hope 5K	211547		38.90

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1205-7980	DUARTE PUBLIC SAFETY PETTY CAS	COH Walk Starbucks Coffee	211440		23.35
100-1205-7980	PRODUCTION DATA SERVICES	Tobacco Ed Campaign Service	211528	201904-Other Exp-Tobacco Grant	5,000.00
100-1205-7980	FSP DESIGNS	Tobacco Control Promotion Merchandise	211500	201904-Other Exp-Tobacco Grant	1,033.41
100-1211	DAVID EOFF	Computer Loan	211497		1,931.22
100-1405-7612	AMERICAN PLANNING ASSOCIATIO	APA Membership, 1/1/19-12/31/19 for J Golding	211472		343.00
100-1405-7612	CASHIER DEPARTMENTOF PESTICID	Lamberto Flores License Renewal	211485		60.00
100-1405-7613	MONROVIA REPRODUCTION	Large Format Duplication	211522		109.75
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211535		165.13
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211535		3.07
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211535		71.71
100-1405-7614	STAPLES ADVANTAGE	Office Supplies	211535		191.26
100-1405-7801	COUNTY OF LOS ANGELES DEPART	Industrial Waste Inspections 10/2018`	211488		3,857.03
100-1405-7965	LDM ASSOCIATES INC	CDBG Federal Grant Admin 10/2018	211517		400.00
100-1405-7965	PLACEWORKS	COH Specific Plan/EIR 10/2018	211526	201406-Prof Serv-City of Hope EIR Reimb	5,276.60
100-1405-7967	RKA CONSULTING GROUP	Public Works Inspections 10/2018	211530		2,280.00
100-1405-7969	RKA CONSULTING GROUP	Engineering Consulting 10/2018	211530		2,787.25
100-1405-7969	RKA CONSULTING GROUP	Plan Check Engineering 10/2018	211530		2,400.00
100-1405-7969	RKA CONSULTING GROUP	Royal Oaks Signal Engineering 10/2018	211530	201725-Royal Oaks Signal-Cap Improvem	1,635.00
100-1405-7969	RKA CONSULTING GROUP	Contract City Engineer 10/2018	211530		4,050.00
100-1405-7969	COUNTY OF LOS ANGELES DEPART	Royal Oaks Traffic Signal Controller Testing	211488	201725-Royal Oaks Signal-Cap Improvem	2,174.56
100-1405-7969	COUNTY OF LOS ANGELES DEPART	Royal Oaks Traffic Signal Timing	211488	201725-Royal Oaks Signal-Cap Improvem	1,770.45
100-1405-7975	GCR MARKETING NETWORK	Demographics Webpage Update	211444		600.00
100-1405-7975	DEKRA-LITE INDUSTRIES INC	Jeweled Scroll Overhead Streamer	211492		4,424.41
100-1405-7975	DEKRA-LITE INDUSTRIES INC	Pole Mount 5.5' Half Snowflake, LED	211492		4,712.27
100-1405-7975	JK PROPERTY SERVICES INC	Removal of Cheers to 60 Years Banners	211449		3,445.00
100-1405-8100	TFN ARCHITECTURAL SIGNAGE INC	Monument Project Retention (Wayfinding)	211463		11,111.95
100-1410-7621	AIRGAS USA LLC	Welding Cylinder Rental	211467		51.01
100-1410-7650	AUTOZONE	Vehicle 11 Diesel Engine Oil	211474		52.54
100-1410-7650	AUTOZONE	Vehicle 11 Diesel Engine Oil	211474		26.27
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 15 PM Service/45 Day Inspection	211515		211.72
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 11 PM Service/45 Day Inspection	211515		211.72
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 12 PM Service/45 Day Inspection	211515		211.72
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 7 PM Service/45 Day Inspection	211515		209.42
100-1410-7650	LA MOBO BUS SERVICE INC	Veh 5 Starter/Starter Solenoid	211515		570.69
100-1410-7656	SUNWEST ENGINEERING	Underground Fuel Tank Inspection 11/2018	211538		145.00
100-1410-7810	A1 MAINTENANCE SERVICES CA	Las Brisas Sweeping 11/2018	211466		58.00
100-1410-7810	A1 MAINTENANCE SERVICES CA	Las Posadas Sweeping 11/2018	211466		58.00
100-1410-7814	SUPERIOR PROPERTY SERVICES INC	Citywide Graffiti Removal 10/2018	211461		436.45
100-1410-7887	HOME DEPOT CREDIT SERVICES	Rebar for Banners	211447		38.52
100-1410-7887	HOME DEPOT CREDIT SERVICES	Electrical Parts (Hunt Dr Street Light)	211447		117.47
100-1410-7980	WEST COAST ARBORISTS INC	Emergency Clean-up	211548		6,000.00
100-1410-7980	SUPERIOR PROPERTY SERVICES INC	Pressure Washing/Cleanup City Hall 10/10/18	211461		170.00
100-1410-7980	MOUNTAIN VIEW TIRE & SERVICE I	Tire Disposal Charge	211454		64.06
100-1415-7916	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		2,130.00
100-1500	MARGARET DIAMOND	Advance-SC Holiday Decorations	211437		400.00
100-1500	KELLY BARNES	Advance-SC Christmas Dinner Dessert	211432		600.00
100-1500	KELLY BARNES	Advance-SC Christmas Luncheon Raffle	211431		500.00
100-1605-7614	STAPLES ADVANTAGE	Computer Mouse	211535		20.25
100-1605-7614	STAPLES ADVANTAGE	Fan	211535		16.41
100-1605-7614	STAPLES ADVANTAGE	Office Supplies	211535		125.06
100-1605-7636	IMAGEN INC	Recreation Staff Uniforms	211510		243.36
100-1605-7650	HUNTINGTON & DUARTE INC	Vehicle 16 Fuel	211457		71.97
100-1605-7728	LUPE VALERIO	AmeriCorps Regional Retreat Expenses	211465	201909- Duarte's Promise - America's Pro	172.47
100-1605-7730	HOME DEPOT CREDIT SERVICES	Christmas Decorations	211447		448.42
100-1605-7730	THE SAUCE CREATIVE SERVICES CO	Tree Lighting @ COH Signs	211533		644.04
100-1605-7730	SMART & FINAL	Santa's Workshop Supplies	142		88.99
100-1605-7733	DUARTE CHOIR	SC Holiday Caroling Performance 12/4/18	211439		200.00
100-1605-7733	WALMART COMMUNITY/RFCSLLC	Senior Ctr Supplies	211547		52.86
100-1605-7733	HOPE CAFE AND CATERING	SC Christmas Party Dinner 12/13/2018	211509		2,128.68
100-1605-7733	INSTRUMENTAL CONSERVATORY	SC Christmas Lunch Entertainment	211511		175.00

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1605-7733	VOCAL ARTS CONSERATORY	Christmas Lunch Entertainment	211546		175.00
100-1605-7733	CARENOTES	Walking with God	211484		17.50
100-1605-7733	CARENOTES	What Everyone Should Know about Hospice	211484		17.50
100-1605-7733	CARENOTES	Cherishing your Memories	211484		17.50
100-1605-7733	CARENOTES	How Faith Can Help	211484		26.65
100-1605-7733	CARENOTES	Easing the Burden	211484		17.50
100-1605-7733	CARENOTES	Prayers of Comfort	211484		17.50
100-1605-7733	CARENOTES	Getting Through the Holidays	211484		17.50
100-1605-7733	CARENOTES	What is Really Normal?	211484		17.50
100-1605-7733	CARENOTES	Five Ways to Get Through	211484		17.50
100-1605-7733	CARENOTES	Finding Strength	211484		17.50
100-1605-7733	CARENOTES	Caring for Yourself	211484		17.50
100-1605-7733	CARENOTES	What Everyone Should Know	211484		17.50
100-1605-7733	CARENOTES	CareNotes Quantity Discount	211484		-26.00
100-1605-7733	CARENOTES	Healing your Body	211484		17.50
100-1605-7733	SMART & FINAL	SC Softball Luncheon	142		166.14
100-1605-7733	CURO MANAGED PRINT PRODUCTI	SC Christmas Party Photo Booth	211436		425.25
100-1605-7733	ARCADIA PARTY RENTALS	SC Thanksgiving Napkins	211430		67.60
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	140		46.23
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	142		219.91
100-1605-7733	DUARTE PIZZA COMPANY	SC Christmas Decorating Lunch	211494		146.74
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	140		353.20
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	142		151.41
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	142		189.24
100-1605-7733	SMART & FINAL	Senior Ctr Supplies	140		9.87
100-1605-7735	DUARTE CHAMBER OF COMMERCE	TC Special Event Prizes (Studio Movie Grill)	211438		90.00
100-1605-7735	CHRISTY GRAVES	TC Winter Holiday Festival 12/12/18	211445		350.00
100-1605-7737	SMART & FINAL	SC Laughlin Trip Supplies	140		46.65
100-1605-7737	INLAND EMPIRE STAGES LTC	Bus Transportation/Hotel 11/6/18 - 11/8/18	211448		5,032.00
100-1605-7737	VILLA ITALIA RISTORANTE	Adult Harbor Cruise Dinner 12/20/18	211545		711.29
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Holiday Flyers	211533		417.56
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Youth Sports Flyers	211533		636.56
100-1605-7739	THE SAUCE CREATIVE SERVICES CO	Winter Class Flyers	211533		534.90
100-1605-7741	J & J SPORTS & TROPHIES	Cross Country Medals	211512		133.02
100-1605-7741	J & J SPORTS & TROPHIES	Cross Country T-Shirts	211512		313.39
100-1605-7750	INLAND EMPIRE STAGES LTC	Bus Transportation/Hotel 11/6/18 - 11/8/18	211448		1,890.00
100-1605-7980	STAPLES ADVANTAGE	Butcher Paper	211535		65.69
100-1610-7616	CALIBER COMMERCIAL POOL SERVI	Comp Pool Circulation Pump Parts	211482		1,322.51
100-1610-7617	FULLER ENGINEERING INC	Pool Chemicals	211502		860.42
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211447		349.37
100-1610-7618	LA PLUMBING SUPPLY INC	Plumbing Parts	211516		111.65
100-1610-7618	LA PLUMBING SUPPLY INC	Plumbing Parts	211516		252.90
100-1610-7618	LA PLUMBING SUPPLY INC	Plumbing Parts	211516		7.59
100-1610-7618	HOME DEPOT CREDIT SERVICES	Refund (Invoice # 2544768)	211447		-32.66
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211447		207.35
100-1610-7618	HOME DEPOT CREDIT SERVICES	Refund (CC Dryer Broken) Inv. 4971123	211447		-109.40
100-1610-7618	STAPLES ADVANTAGE	Storage Boxes	211535		20.79
100-1610-7618	SHAFFER AWARDS	City Council Dais Name Plates	211534		74.24
100-1610-7618	HOME DEPOT CREDIT SERVICES	Washer & Dryer (Community Ctr)	211447		1,117.29
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211447		54.68
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		66.56
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		865.90
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		1,340.77
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		96.54
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		68.72
100-1610-7618	MAINTEX INC	Janitorial Supplies	211519		101.37
100-1610-7618	HOME DEPOT CREDIT SERVICES	Shop Supplies, Blower, repair items	211447		686.85
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211447		142.35
100-1610-7618	GRAINGER	Electrical Parts	211503		147.04
100-1610-7618	HOME DEPOT CREDIT SERVICES	Building Maintenance Supplies	211447		11.40

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-1610-7618	GRAINGER	Plumbing Parts	211503		91.56
100-1610-7636	CINTAS CORPORATION #693	Facility Maintenance Uniforms	211486		37.22
100-1610-7636	CINTAS CORPORATION #693	Facility Maintenance Uniforms	211486		81.24
100-1610-7636	CINTAS CORPORATION #693	Facility Maint Uniforms	211486		39.49
100-1610-7636	CINTAS CORPORATION #693	Facility Maintenance Uniforms	211486		39.49
100-1610-7650	LA MOBO BUS SERVICE INC	Veh 21 PM Service/45 Day Inspection	211515		211.72
100-1610-7650	LA MOBO BUS SERVICE INC	Veh 20 PM Service/45 Day Inspection	211515		211.72
100-1610-7652	BRIGHTVIEW PAINTING COMPANY	Paint Interior of City Hall (Flood Emergency)	211434		4,100.00
100-1610-7652	POST ALARM SYSTEMS	South Yard Alarm Call	211527		165.00
100-1610-7652	UNITED SITE SERVICES	Sink Replacement (Rental) Encanto Pk	211544		1,181.81
100-1610-7652	2010 OFFICE FURNITURE	Field Srv/Facility Maint Cubicle Installation	211429		2,859.03
100-1610-7652	BRIGHTVIEW PAINTING COMPANY	Paint Interior/Exterior-Encanto Park Building	211479		4,950.00
100-1610-7652	BRIGHTVIEW PAINTING COMPANY	CC Mural Wall Painting	211479		1,100.00
100-1610-7652	MONROVIA LOCK SHOP	Keys	211521		19.71
100-1610-7652	KATHY REID	Civic Center Holiday Window Painting	211458		240.00
100-1610-7652	AIR-TRO INC	Public Safety HVAC Routine Call	211468		88.00
100-1610-7652	WESTERN EXTERMINATOR COMPA	CH Pest Control Services 10/2018	211549		275.00
100-1610-7652	ALBERTOS PLUMBING	CH Drinking Fountain Install	211469		575.00
100-1610-7652	ALBERTOS PLUMBING	CH Main Line Regulator Install	211469		2,900.00
100-1610-7652	ALBERTOS PLUMBING	Encanto Park Drain Unclog	211469		120.00
100-1610-7652	CINTAS CORPORATION #693	Floor Mats	211486		29.09
100-1610-7652	EXECUTIVE ELEVATOR INC	SC Elevator Maintenance 11/2018	211499		132.00
100-1610-7652	PASCO DOORS	SC Entrance Door Repair	211525		325.56
100-1610-7652	THE TECHNOLOGY DEPOT INC	Rewire Community Center Office	211462		370.51
100-1610-7652	JOSEPH A MARTINEZ	Furnish/Install Baseboards in CC Office	211520		195.00
100-1610-8100	ALCO BUILDING SOLUTIONS INC	Metal Entry Doors	211470		1,960.00
100-1610-8100	ALCO BUILDING SOLUTIONS INC	Encanto Park Restroom Remodel	211470		27,386.00
100-1610-8100	ALCO BUILDING SOLUTIONS INC	Plumbing Repair	211470		650.00
100-1610-8100	JOSEPH A MARTINEZ	City Hall Carpet Installation	211452		11,664.00
100-1610-8100	THE HARDWOOD FLOOR GUY	Mohawk/Alladin Carpet Tile color 877	211446		13,320.00
100-1805-7654	MOSS, LEVY & HARTZHEIM LLP	Audit Fieldwork FY18	211523		10,000.00
100-1805-7764	STATE OF CALIFORNIA ENERGY RES	CEC Payment 13 of 27	211536	201023-Annual Prin Pmts-EECBG	8,080.53
100-1805-7765	STATE OF CALIFORNIA ENERGY RES	CEC Payment 13 of 27	211536	201023-Annual Int Pmt-EECBG	2,028.68
100-1810-7671	ALLIANCE RESOURCE CONSULTING	Recruitment Srvcs (Director of P&R) 4th Billing	211471		6,125.00
100-1810-7980	TYLER BUSINESS FORMS	Tax Forms	211543		75.03
100-1810-7980	FEDEX	WC Paperwork	211443		42.13
100-1810-7980	TYLER BUSINESS FORMS	W-2 Envelopes	211543		124.98
100-1815-7830	INTELEPEER CLOUD COMMUNICATI	IntelePeer-Telephone Srvc 10/2018	EFT07220		260.09
100-1815-7965	MAXTREME INC	IT helpdesk 11/2018	141		8,700.00
100-1815-7980	MAXTREME INC	Crash Plan Recovery 11/2018	141		200.00
100-1815-7980	THE TECHNOLOGY DEPOT INC	SD Wan w/VELO Cloud Connect 12/2018	211541		567.60
100-1825-7613	GRAND PRINTING INC	Business Cards-Don Vaillancourt	211504		103.46
100-1825-7613	GRAND PRINTING INC	Business Cards-Gerard Batista	211504		103.46
100-1825-7613	GRAND PRINTING INC	Business Cards-Blanks	211504		103.46
100-1825-7613	CANON SOLUTIONS AMERICA INC	CH Copier Paper	211483		154.67
100-1825-7613	CANON SOLUTIONS AMERICA INC	TC Copier Paper	211483		61.87
100-1825-7613	CANON SOLUTIONS AMERICA INC	CH Copier Paper	211483		219.44
100-1825-7631	CANON SOLUTIONS AMERICA INC	CH (2) Copier Maint 10/16/18 - 11/15/18	211483		405.49
100-1825-7631	CANON SOLUTIONS AMERICA INC	SC Copier Maint 10/16/18 - 11/15/18	211483		271.54
100-1825-7631	CANON SOLUTIONS AMERICA INC	TC Copier Maint 10/16/18 - 11/15/18	211483		76.60
100-1825-7674	CATHERINE BRATTA	Health Insurance Reimbursement	211477		435.00
100-1825-7674	JACQUELINE BURCKHARD	Health Insurance Reimbursement	211480		218.00
100-1825-7674	JIM KIRCHNER	Health Insurance Reimbursement	211513		435.00
100-1825-7674	LINDA HENDERSON	Health Insurance Reimbursement	211506		435.00
100-1825-7674	STEVE ESBENSHADE	Health Insurance Reimbursement	211498		218.00
100-1825-7674	GINNY JOYCE BELBA	Health Insurance Reimbursement	211476		218.00
100-1825-7945	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478	250016-Oper of Acq Prop-1229 Pops Roa	41.67
100-1825-7945	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478	990002 - Oper of Acq Prop - Duarte Traile	41.67
100-1825-7980	SHRED-IT USA LLC	Document Shredding	211460		53.81
100-2023	CESAR MONSALVE	City Kitty Retirement	211453		250.00

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
100-2023	CITY OF DUARTE	CK Cesar Monsalve Retirement Dinner (2)	211441		60.00
100-2026	KANISHIA HOLDEN	Equipment Deposit Refund	211508		25.00
100-2120	RCL	ROW Cash Bond Refund (1315 Park Rose Ave)	211529		1,000.00
100-2120	MARIA SALAS	CC Rent Deposit Refund	211459		500.00
100-2120	CZARLENE BECKER	ROP Bldg Rent Deposit Refund	211433		150.00
100-2120	PRISCILLA NANONG	TC Rent Deposit Refund	211456		300.00
100-2120	JESUS MAURICIO CARTAGENA	CC Rent Deposit Refund	211435		500.00
100-2120	TIFFANY SWEENEY	TC Rent Deposit Refund	211540		300.00
100-2120	CATALINA FULIAR	ROP Bldg Rent Deposit Refund	211501		150.00
100-2121	SUCCESSOR AGENCY OF DUARTE R	Deposit From MJW-942,952,962 Hunt	211537		10,100.00
100-2121	MONROVIA REPRODUCTION	Large Format Duplication	211522		281.17
100-2121	DALEY & HEFT	Refund-Copies of Large Format Plans	211490		109.75
100-4302	MANOLITO DIONISIO	Citation Overpayment	211493		60.00
100-4408	DUARTE UNIFIED SCHOOL DISTRICT	Nextel Lease 12/2018	211496	250004 - Property Rent - Nextel Rent (Oti	1,645.09
100-4408	DUARTE UNIFIED SCHOOL DISTRICT	Nextel Lease 10/2018	211496	250004 - Property Rent - Nextel Rent (Oti	1,581.82
100-4408	DUARTE UNIFIED SCHOOL DISTRICT	Nextel Lease 11/2018	211496	250004 - Property Rent - Nextel Rent (Oti	1,628.22
Fund 100 - GENERAL FUND Total:					331,047.10

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 220 - GAS TAX FUN					
220-2210-7811	HARDY & HARPER INC	AC Removal & Replacement Project	211505	201910-Street Maint-AC Repair FY19	30,110.89
				Fund 220 - GAS TAX FUN Total:	30,110.89

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 240 - LIGHTING AND LANDSCAPE DISTRICT FUND					
240-2405-7890	COUNTY OF LOS ANGELES DEPART	Traffic Signal Maintenance 10/2018	211488		1,518.45
240-2410-7896	ARBOR NURSERY PLUS	Citywide Plant Replacement	211473		268.28
240-2410-7906	WEST COAST ARBORISTS INC	Citywide Tree Trimming	211548		9,200.00
240-2410-7906	WEST COAST ARBORISTS INC	Citywide Tree Trimming	211548		4,220.00
240-2410-7915	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		7,500.00
240-2410-7917	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		4,145.00
240-2410-7917	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		485.00
240-2420-7887	ARBOR NURSERY PLUS	Kendrick Plant Replacement	211473		38.33
240-2420-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		345.16
240-2421-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		1,300.00
240-2422-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		480.58
240-2423-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		900.00
240-2424-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		550.00
240-2425-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		400.00
240-2426-7810	A1 MAINTENANCE SERVICES CA	Grocery Outlet Pkg Lot Sweeping 11/2018	211466		747.00
240-2426-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		180.00
240-2427-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		630.33
240-2431-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		800.00
240-2432-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		835.00
240-2433-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		530.00
240-2434-7887	ARBOR NURSERY PLUS	Citras Villas Plant Replacement	211473		51.89
240-2434-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		355.00
240-2435-7914	BRIGHTVIEW LANDSCAPE SERVICES	Landscape Maintenance 11/2018	211478		500.00
Fund 240 - LIGHTING AND LANDSCAPE DISTRICT FUND Total:					35,980.02

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 260 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)					
260-2605-8060	LDM ASSOCIATES INC	CDBG Admin FY19 ADA Curb Ramps10/2018	211517	201912-Sidewalk Imprv-CDBG ADA Ramp	700.00
260-2605-8070	LDM ASSOCIATES INC	CDBG Admin Galen St Improvements 10/2018	211517	201825-Cap St Improv-Galen St Improv. Pr	950.00
Fund 260 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) Total:					1,650.00

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 290 - SUPPLEMENTAL LAW ENFORCEMENT FUND					
290-2905-7785	LOS ANGELES COUNTY SHERIFF'S D	Route 66 Parade Patrol	211518		593.25
Fund 290 - SUPPLEMENTAL LAW ENFORCEMENT FUND Total:					593.25

Council Warrant Register by Account

Payment Dates: 11/28/2018 - 12/11/2018

Account Number	Vendor Name	Description (Item)	Payment No	Project Key	Amount
Fund: 440 - PROPOSITION A TRANSIT FUND					
440-4405-7619	AUTOZONE	Bus AntiFreeze and Oil	211474		135.69
440-4405-7887	LA MOBO BUS SERVICE INC	Bus 14 Rear Engine Seal/AC Condenser Motor	211515		4,127.19
Fund 440 - PROPOSITION A TRANSIT FUND Total:					4,262.88
Grand Total:					403,644.14

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL FUND	331,047.10
220 - GAS TAX FUN	30,110.89
240 - LIGHTING AND LANDSCAPE DISTRICT FUND	35,980.02
260 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDB	1,650.00
290 - SUPPLEMENTAL LAW ENFORCEMENT FUND	593.25
440 - PROPOSITION A TRANSIT FUND	4,262.88
Grand Total:	403,644.14

Account Summary

Account Number	Account Name	Payment Amount
100-1005-7980	Other Expenses	65.65
100-1010-7610	Travel, Mtgs & Conf	1,163.60
100-1010-7614	Office Supplies	101.47
100-1010-7650	Vehicle Maintenance	87.12
100-1010-7980	Other Expenses	32.15
100-1020-7710	Chamber Of Commerce	1,600.00
100-1020-7711	Employee Recognition C	198.98
100-1020-7716	Special Community Even	26,632.23
100-1020-7720	DCTV	13,802.50
100-1020-7724	Post Office Parking	115.00
100-1020-7726	Council Cablecasting	3,850.00
100-1020-7980	Other Expenses	598.78
100-1205-7610	Travel, Mtgs & Conf	20.00
100-1205-7612	Publications and Dues	285.00
100-1205-7614	Office Supplies	5.99
100-1205-7636	Uniforms	7.12
100-1205-7650	Vehicle Maintenance	1,156.22
100-1205-7655	Emergency Services	509.28
100-1205-7760	Homeless Outreach Prog	22,900.00
100-1205-7761	Parking Ticket Collect	12,656.26
100-1205-7779	Youth Programs	845.55
100-1205-7780	Animal Control	2,709.81
100-1205-7781	Contract Law Enforceme	154.47
100-1205-7787	Public Safety Cntr Lease	11,098.59
100-1205-7980	Other Expenses	6,095.66
100-1211	Computer Loan Program	1,931.22
100-1405-7612	Publications and Dues	403.00
100-1405-7613	Duplications And Photos	109.75
100-1405-7614	Office Supplies	431.17
100-1405-7801	Industrial Waste Inspecti	3,857.03
100-1405-7965	Professional Services	5,676.60
100-1405-7967	Public Works Inspection	2,280.00
100-1405-7969	City Engineer	14,817.26
100-1405-7975	Economic Development	13,181.68
100-1405-8100	Other Capital Improvem	11,111.95
100-1410-7621	Other Supplies	51.01
100-1410-7650	Vehicle Maintenance	1,494.08
100-1410-7656	Emergency Generator	145.00
100-1410-7810	Street Sweeping	116.00
100-1410-7814	Graffiti Removal	436.45
100-1410-7887	Repairs & Replacements	155.99
100-1410-7980	Other Expenses	6,234.06
100-1415-7916	Landscape-Sport Park	2,130.00
100-1500	Advances	1,500.00
100-1605-7614	Office Supplies	161.72
100-1605-7636	Uniforms	243.36
100-1605-7650	Vehicle Maintenance	71.97

Account Summary

Account Number	Account Name	Payment Amount
100-1605-7728	Americorp's VIP Progra	172.47
100-1605-7730	Special Events	1,181.45
100-1605-7733	Senior Center	4,717.78
100-1605-7735	Teen Center	440.00
100-1605-7737	Adult Excursions	5,789.94
100-1605-7739	Publicity	1,589.02
100-1605-7741	Sports/Playground Progr	446.41
100-1605-7750	Bus Rentals	1,890.00
100-1605-7980	Other Expenses	65.69
100-1610-7616	Pool Supplies	1,322.51
100-1610-7617	Pool Chemicals	860.42
100-1610-7618	Building Supplies	5,672.86
100-1610-7636	Uniforms	197.44
100-1610-7650	Vehicle Maintenance	423.44
100-1610-7652	Building Maint Services	19,625.71
100-1610-8100	Other Capital Improvem	54,980.00
100-1805-7654	Audit Services	10,000.00
100-1805-7764	CA CEC Annual Principal	8,080.53
100-1805-7765	CA CEC Annual Interest	2,028.68
100-1810-7671	Recruiting Advertisemen	6,125.00
100-1810-7980	Other Expenses	242.14
100-1815-7830	Telephones	260.09
100-1815-7965	Professional Services	8,700.00
100-1815-7980	Other Expenses	767.60
100-1825-7613	Duplications And Photos	746.36
100-1825-7631	Equipment Maintenance	753.63
100-1825-7674	Retiree Health Insurance	1,959.00
100-1825-7945	Operation Of Acq Prop	83.34
100-1825-7980	Other Expenses	53.81
100-2023	EE City Kitty Contributio	310.00
100-2026	EE Equipment Deposit	25.00
100-2120	Refundable Deposits	2,900.00
100-2121	Pass Through Deposits	10,490.92
100-4302	Parking Citations	60.00
100-4408	Property Rental	4,855.13
220-2210-7811	Street Maintenance	30,110.89
240-2405-7890	Repairs-Traffic Signal	1,518.45
240-2410-7896	Tree Planting-Citywide	268.28
240-2410-7906	Tree Trim-Citywide	13,420.00
240-2410-7915	Landscape-Citywide	7,500.00
240-2410-7917	Landscape-Medians	4,630.00
240-2420-7887	Repairs & Replacements	38.33
240-2420-7914	Landscape Maintenance	345.16
240-2421-7914	Landscape Maintenance	1,300.00
240-2422-7914	Landscape Maintenance	480.58
240-2423-7914	Landscape Maintenance	900.00
240-2424-7914	Landscape Maintenance	550.00
240-2425-7914	Landscape Maintenance	400.00
240-2426-7810	Street Sweeping	747.00
240-2426-7914	Landscape Maintenance	180.00
240-2427-7914	Landscape Maintenance	630.33
240-2431-7914	Landscape Maintenance	800.00
240-2432-7914	Landscape Maintenance	835.00
240-2433-7914	Landscape Maintenance	530.00
240-2434-7887	Repairs & Replacements	51.89
240-2434-7914	Landscape Maintenance	355.00
240-2435-7914	Landscape Maintenance	500.00
260-2605-8060	Sidewalk Improvements	700.00

Account Summary

Account Number	Account Name	Payment Amount
260-2605-8070	Street Improvements (C	950.00
290-2905-7785	Special Events Patrol	593.25
440-4405-7619	Fuel And Oil	135.69
440-4405-7887	Repairs & Replacements	4,127.19
	Grand Total:	403,644.14

Project Account Summary

Project Account Key	Payment Amount
None	316,797.08
201023-Annual Int Pmt-EECBG	2,028.68
201023-Annual Prin Pmts-EECBG	8,080.53
201406-Prof Serv-City of Hope EIR Reimb	5,276.60
201725-Royal Oaks Signal-Cap Improvements	5,580.01
201825-Cap St Improv-Galen St Improv. Project	950.00
201826-Homelss Outreach	22,900.00
201904-Other Exp-Tobacco Grant	6,033.41
201909- Duarte's Promise - America's Promise Exp	172.47
201910-Street Maint-AC Repair FY19	30,110.89
201912-Sidewalk Imprv-CDBG ADA Ramp Proj	700.00
201914-Youth Programs-Cal VIP	76.00
250004 - Property Rent - Nextel Rent (Otis Gordon)	4,855.13
250016-Oper of Acq Prop-1229 Pops Road	41.67
990002 - Oper of Acq Prop - Duarte Trailer Park	41.67
Grand Total:	403,644.14



City of Duarte

Council Warrant Register Over \$5000

By Payment Number

Payment Dates 11/28/2018 - 12/11/2018

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
141	12/11/2018	4286	MAXTREME INC			8,900.00
	13377	IT helpdesk 11/2018		100-1815-7965		8,700.00
	13377	Crash Plan Recovery 11/2018		100-1815-7980		200.00
211446	12/3/2018	5343	THE HARDWOOD FLOOR GUY			13,320.00
	INV0141	Mohawk/Alladin Carpet Tile color 87		100-1610-8100		13,320.00
211448	12/3/2018	1465	INLAND EMPIRE STAGES LTC			6,922.00
	52394	Bus Transportation/Hotel 11/6/18 - 1		100-1605-7737		5,032.00
	52394	Bus Transportation/Hotel 11/6/18 - 1		100-1605-7750		1,890.00
211452	12/3/2018	5299	JOSEPH A MARTINEZ			11,664.00
	INV0141	City Hall Carpet Installation		100-1610-8100		11,664.00
211455	12/3/2018	2461	MOUNTAIN VISTA PLAZA			11,098.59
	12/2018	Public Safety Lease		100-1205-7787		11,098.59
211463	12/3/2018	5832	TFN ARCHITECTURAL SIGNAGE INC			11,111.95
	180514	Monument Project Retention (Wayfin		100-1405-8100		11,111.95
211470	12/11/2018	5965	ALCO BUILDING SOLUTIONS INC			29,996.00
	01-102618	Encanto Park Restroom Remodel		100-1610-8100		27,386.00
	01-102618	Plumbing Repair		100-1610-8100		650.00
	01-102618	Metal Entry Doors		100-1610-8100		1,960.00
211471	12/11/2018	5955	ALLIANCE RESOURCE CONSULTING LLC			6,125.00
	111318	Recruitment Svcs (Director of P&R) 4		100-1810-7671		6,125.00
211478	12/11/2018	3889	BRIGHTVIEW LANDSCAPE SERVICES INC			22,264.41
	6023491	Landscape Maintenance 11/2018		100-1020-7724		115.00
	6023491	Landscape Maintenance 11/2018		100-1415-7916		2,130.00
	6023491	Landscape Maintenance 11/2018		100-1825-7945	990002 - Oper of Acq Prop - Duarte Trailer Park	41.67
	6023491	Landscape Maintenance 11/2018		100-1825-7945	250016-Oper of Acq Prop-1229 Pops Road	41.67
	6023491	Landscape Maintenance 11/2018		240-2410-7915		7,500.00
	6023491	Landscape Maintenance 11/2018		240-2410-7917		485.00
	6023491	Landscape Maintenance 11/2018		240-2410-7917		4,145.00
	6023491	Landscape Maintenance 11/2018		240-2420-7914		345.16
	6023491	Landscape Maintenance 11/2018		240-2421-7914		1,300.00
	6023491	Landscape Maintenance 11/2018		240-2422-7914		480.58
	6023491	Landscape Maintenance 11/2018		240-2423-7914		900.00
	6023491	Landscape Maintenance 11/2018		240-2424-7914		550.00
	6023491	Landscape Maintenance 11/2018		240-2425-7914		400.00
	6023491	Landscape Maintenance 11/2018		240-2426-7914		180.00
	6023491	Landscape Maintenance 11/2018		240-2427-7914		630.33
	6023491	Landscape Maintenance 11/2018		240-2431-7914		800.00
	6023491	Landscape Maintenance 11/2018		240-2432-7914		835.00
	6023491	Landscape Maintenance 11/2018		240-2433-7914		530.00
	6023491	Landscape Maintenance 11/2018		240-2434-7914		355.00
	6023491	Landscape Maintenance 11/2018		240-2435-7914		500.00
211479	12/11/2018	5978	BRIGHTVIEW PAINTING COMPANY			6,050.00
	2	Paint Interior/Exterior-Encanto Park B		100-1610-7652		4,950.00
	2-112718	CC Mural Wall Painting		100-1610-7652		1,100.00
211488	12/11/2018	2028	COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS			9,320.49
	REPW-18111202308	Traffic Signal Maintenance 10/2018		240-2405-7890		1,518.45
	REPW-18111301975	Industrial Waste Inspections 10/2018		100-1405-7801		3,857.03

Council Warrant Register Over \$5000

Payment Dates: 11/28/2018 - 12/11/2018

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	REPW-18111302079	Royal Oaks Traffic Signal Controller Te		100-1405-7969	201725-Royal Oaks Signal-Cap Improvements	2,174.56
	REPW-18111302086	Royal Oaks Traffic Signal Timing		100-1405-7969	201725-Royal Oaks Signal-Cap Improvements	1,770.45
211492	12/11/2018	5947	DEKRA-LITE INDUSTRIES INC			34,731.49
	ARINV006406	Pole Mount 5.5' Half Snowflake, LED		100-1020-7716		6,246.49
	ARINV006406	Regal Walk Through Ornament		100-1020-7716		6,479.66
	ARINV006406	37" H LED Lighted Blue Fiberglass Ball		100-1020-7716		684.92
	ARINV006406	Regal Illuminated Snowflake w/Silver		100-1020-7716		5,863.73
	ARINV006406	Illuminated Star "Waterloo"		100-1020-7716		5,635.09
	ARINV006406	37" H LED Lighted Red Fiberglass Ball		100-1020-7716		684.92
	ARINV006406	Pole Mount 5.5' Half Snowflake, LED		100-1405-7975		4,712.27
	ARINV006406	Jeweled Scroll Overhead Streamer		100-1405-7975		4,424.41
211495	12/11/2018	0568	DUARTE PUBLIC ACCESS INC			13,802.50
	12052018	Fisrt 1/2 of FY19 Contract		100-1020-7720		13,802.50
211505	12/11/2018	4709	HARDY & HARPER INC			30,110.89
	45096	AC Removal & Replacement Project		220-2210-7811	201910-Street Maint-AC Repair FY19	30,110.89
211515	12/11/2018	5637	LA MOBO BUS SERVICE INC			7,005.81
	7718	Bus 14 Rear Engine Seal/AC Condens		440-4405-7887		4,127.19
	7917	Veh 20 PM Srv/Fan Clutch/Temp Sen		100-1205-7650		828.19
	7920	Veh 21 PM Service/45 Day Inspection		100-1610-7650		211.72
	7929	Veh 15 PM Service/45 Day Inspection		100-1410-7650		211.72
	7930	Veh 11 PM Service/45 Day Inspection		100-1410-7650		211.72
	7931	Veh 12 PM Service/45 Day Inspection		100-1410-7650		211.72
	7932	Veh 7 PM Service/45 Day Inspection		100-1410-7650		209.42
	7936	Veh 20 PM Service/45 Day Inspection		100-1610-7650		211.72
	7937	Veh 27 PM Service/45 Day Inspection		100-1205-7650		211.72
	7941	Veh 5 Starter/Starter Solenoid		100-1410-7650		570.69
211523	12/11/2018	5794	MOSS, LEVY & HARTZHEIM LLP			10,000.00
	8482	Audit Fieldwork FY18		100-1805-7654		10,000.00
211526	12/11/2018	5224	PLACEWORKS			5,276.60
	67130	COH Specific Plan/EIR 10/2018		100-1405-7965	201406-Prof Serv-City of Hope EIR Reimb	5,276.60
211528	12/11/2018	5993	PRODUCTION DATA SERVICES			5,000.00
	181101	Tobacco Ed Campaign Service		100-1205-7980	201904-Other Exp-Tobacco Grant	5,000.00
211530	12/11/2018	0904	RKA CONSULTING GROUP			13,152.25
	28211	Engineering Consulting 10/2018		100-1405-7969		2,787.25
	28212	Plan Check Engineering 10/2018		100-1405-7969		2,400.00
	28213	Public Works Inspections 10/2018		100-1405-7967		2,280.00
	28214	Royal Oaks Signal Engineering 10/201		100-1405-7969	201725-Royal Oaks Signal-Cap Improvements	1,635.00
	28215	Contract City Engineer 10/2018		100-1405-7969		4,050.00
211532	12/11/2018	2699	SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS			22,900.00
	SGV-HPG-27	Homeless Planning Grant (2nd Payme		100-1205-7760	201826-Homelss Outreach	22,900.00
211536	12/11/2018	5074	STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION			10,109.21
	10275	CEC Payment 13 of 27		100-1805-7764	201023-Annual Prin Pmts-EECBG	8,080.53
	10275	CEC Payment 13 of 27		100-1805-7765	201023-Annual Int Pmt-EECBG	2,028.68
211537	12/11/2018	5124	SUCCESSOR AGENCY OF DUARTE REDEVELOPMENT AGENCY			10,100.00
	11142018	Deposit From MJW-942,952,962 Hunt		100-2121		10,100.00
211539	12/11/2018	3661	SUPERIOR CT OF CAL CO OF LOS ANGELES			9,884.00
	111518	Citation Revenue Tax 10/2018		100-1205-7761		9,884.00
211548	12/11/2018	1521	WEST COAST ARBORISTS INC			19,420.00
	141978-A	Citywide Tree Trimming		240-2410-7906		9,200.00
	142580	Citywide Tree Trimming		240-2410-7906		4,220.00

Council Warrant Register Over \$5000

Payment Dates: 11/28/2018 - 12/11/2018

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
	142590	Emergency Clean-up		100-1410-7980		6,000.00
Payment Total:						328,265.19

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL FUND	259,152.59
220 - GAS TAX FUN	30,110.89
240 - LIGHTING AND LANDSCAPE DISTRICT FUND	34,874.52
440 - PROPOSITION A TRANSIT FUND	4,127.19
Grand Total:	328,265.19

Account Summary

Account Number	Account Name	Payment Amount
100-1020-7716	Special Community Even	25,594.81
100-1020-7720	DCTV	13,802.50
100-1020-7724	Post Office Parking	115.00
100-1205-7650	Vehicle Maintenance	1,039.91
100-1205-7760	Homeless Outreach Prog	22,900.00
100-1205-7761	Parking Ticket Collect	9,884.00
100-1205-7787	Public Safety Cntr Lease	11,098.59
100-1205-7980	Other Expenses	5,000.00
100-1405-7801	Industrial Waste Inspecti	3,857.03
100-1405-7965	Professional Services	5,276.60
100-1405-7967	Public Works Inspection	2,280.00
100-1405-7969	City Engineer	14,817.26
100-1405-7975	Economic Development	9,136.68
100-1405-8100	Other Capital Improvem	11,111.95
100-1410-7650	Vehicle Maintenance	1,415.27
100-1410-7980	Other Expenses	6,000.00
100-1415-7916	Landscape-Sport Park	2,130.00
100-1605-7737	Adult Excursions	5,032.00
100-1605-7750	Bus Rentals	1,890.00
100-1610-7650	Vehicle Maintenance	423.44
100-1610-7652	Building Maint Services	6,050.00
100-1610-8100	Other Capital Improvem	54,980.00
100-1805-7654	Audit Services	10,000.00
100-1805-7764	CA CEC Annual Principal	8,080.53
100-1805-7765	CA CEC Annual Interest	2,028.68
100-1810-7671	Recruiting Advertisemen	6,125.00
100-1815-7965	Professional Services	8,700.00
100-1815-7980	Other Expenses	200.00
100-1825-7945	Operation Of Acq Prop	83.34
100-2121	Pass Through Deposits	10,100.00
220-2210-7811	Street Maintenance	30,110.89
240-2405-7890	Repairs-Traffic Signal	1,518.45
240-2410-7906	Tree Trim-Citywide	13,420.00
240-2410-7915	Landscape-Citywide	7,500.00
240-2410-7917	Landscape-Medians	4,630.00
240-2420-7914	Landscape Maintenance	345.16
240-2421-7914	Landscape Maintenance	1,300.00
240-2422-7914	Landscape Maintenance	480.58
240-2423-7914	Landscape Maintenance	900.00
240-2424-7914	Landscape Maintenance	550.00
240-2425-7914	Landscape Maintenance	400.00
240-2426-7914	Landscape Maintenance	180.00
240-2427-7914	Landscape Maintenance	630.33
240-2431-7914	Landscape Maintenance	800.00
240-2432-7914	Landscape Maintenance	835.00
240-2433-7914	Landscape Maintenance	530.00
240-2434-7914	Landscape Maintenance	355.00
240-2435-7914	Landscape Maintenance	500.00

Account Summary

Account Number	Account Name	Payment Amount
440-4405-7887	Repairs & Replacements	4,127.19
	Grand Total:	328,265.19

Project Account Summary

Project Account Key	Payment Amount
None	249,205.14
201023-Annual Int Pmt-EECBG	2,028.68
201023-Annual Prin Pmts-EECBG	8,080.53
201406-Prof Serv-City of Hope EIR Reimb	5,276.60
201725-Royal Oaks Signal-Cap Improvements	5,580.01
201826-Homelss Outreach	22,900.00
201904-Other Exp-Tobacco Grant	5,000.00
201910-Street Maint-AC Repair FY19	30,110.89
250016-Oper of Acq Prop-1229 Pops Road	41.67
990002 - Oper of Acq Prop - Duarte Trailer Park	41.67
Grand Total:	328,265.19



City of Duarte

SA Council Warrant Register

By Payment Number

Payment Dates 11/28/2018 - 12/11/2018

Payment Number	Payment Date Payable Number	Vendor # Description	Vendor Name	Account Number	Project Account Key	Payment Amount Item Amount
2058	12/11/2018 11012018	SA5002 Payment 17 of 18 (Best Buy Price Red	CALEDGE INVESTMENTS LLC	690-6905-7971		119,811.60 119,811.60
2059	12/11/2018 11142018	SA2369 Sale of Parcels 8530-013-902,903,904	LOS ANGELES COUNTY AUDITOR-CONTROLLER	690-4409		765,088.15 765,088.15
Payment Total:						884,899.75

Report Summary

Fund Summary

Fund	Payment Amount
690 - Successor Agency Debt Service	884,899.75
Grand Total:	884,899.75

Account Summary

Account Number	Account Name	Payment Amount
690-4409	Sale Of Property	765,088.15
690-6905-7971	SA Cost Of Land Sold	119,811.60
Grand Total:		884,899.75

Project Account Summary

Project Account Key	Payment Amount
None	884,899.75
Grand Total:	884,899.75

MEMORANDUM

TO: Darrell George, City Manager

FROM: Kristen Petersen, Deputy City Manager

DATE: November 29, 2018

SUBJECT: CITY COUNCIL CONCURRENCE WITH CITY MANAGER APOINTMENT OF PARKS AND RECREATION DEPARTMENT HEAD POSITION

Background

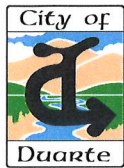
After an extensive recruitment and interview process, and with a very competitive field of candidates, the City Manager has selected Manuel Enriquez as the Parks and Recreation Director for the City of Duarte.

Manuel was born and raised in the San Gabriel Valley and after living and working in Northern California for the last six years, is looking forward to returning to his roots. He explained that growing up, he participated in Parks and Recreation programming after school and throughout the summer and it greatly impacted who he was then and has become today. Manuel's career ranged from being a YMCA Site Director to a Program Director and most recently a Recreation Director in the Los Gatos-Saratoga Community Recreation Joint Powers Agency. The LGSJPA provides public recreation programs, supplemental education programs and child care services to four communities and three school districts in Northern California. Clearly this type of collaborative organization takes a lot of coordination, communication and outreach and it was clear from talking with Manuel that these are all areas of strength for him.

The interview panel was particularly impressed with Manuel's range of recreation experience, strong core values, professionalism, and attention to the task at hand. In addition, his strong written and verbal skills were clearly evident. When asked about ideas for the future of Duarte Programs, he first complimented the high quality of our existing programs and then talked about the importance of community engagement when developing new programs. He gave a few examples of some of the more recent innovations in Recreation, such as programs that include mobile technology and youth. Manuel is a strong believer in leveraging and developing staff talent and his past employers supported this with examples of his staff management success stories. During his final interview, it was clear that Manuel will be a great addition to the Duarte Department Head team. We believe that his passion for Recreation and excitement about joining the City of Duarte will be contagious and we look forward to his fresh perspective and new ideas.

Recommendation

It is recommended that the City Council concur with the City Manager's appointment of Manuel Enriquez to the position of Director of Parks and Recreation, pursuant to Section 2.12.090 (c) of the Duarte Municipal Code.



MEMORANDUM

To: City Council

From: Yesenia Serna, Community Development Technician

CC: Craig Hensley, Community Development Director

Date: December 11, 2018

Subject: Bid Results and Award of Contract for the Las Lomas Road Sidewalk Repair – PROJECT 19-4

RECOMMENDED ACTION

Staff recommends that the City Council award the Las Lomas Road Sidewalk Repair contract to Ruiz Concrete & Paving Inc. at 1344 Temple Avenue, Long Beach CA 90804. This project is fully funded through a Metro Local Return Program for Measure R which is funded with ½-cent sales tax and Bicycle Pedestrian Safety Fund.

BACKGROUND

The Las Lomas Road Sidewalk Repair Project consists of the removal of asphalt and the installation of new 4" sidewalk, curb and gutter, and driveway approaches that have been damaged by tree roots. It was brought to our attention this past year from concerned residents that jog and walk on this path. Currently, the sidewalk on the east side of Las Lomas Road is not ADA compliant and was a temporary fix when the bridle path was removed. The scope of work also calls out for landscape improvements and new trees along a meandering style sidewalk. The final design will be assessed and determined in the field. The new and improved sidewalk will bring connectivity from our frequent walkers South of Huntington Drive to our beautiful parks on Royal Oaks and the Royal Oaks Trail.

On November 27, 2018 the City Clerk publicly opened bids for the above project. The results of the bid opening are as follow:

Ruiz Concrete & Paving Inc.	\$117,441.00
EC Construction	\$119,370.00
R.C. Becker & Son	\$120,220.00
FS Contractors, Inc.	\$126,450.00

STL Landscape, Inc.	\$135,990.00
EBS General Engineering, Inc.	\$137,100.00
All Cities Engineering Inc.	\$138,650.00
I.E. General Engineering	\$149,500.00
Hardy & Harper, Inc.	\$172,145.00
YAKAR	\$177,925.00
Los Angeles Engineering Inc.	\$207,975.00
Gentry General Engineering, Inc.	\$314,450.00

ANALYSIS

Based on the bid results the City will have the opportunity to repair approximately 11,000 sf of sidewalk and driveway approaches along Las Lomas Road. The work is necessary to repair damage caused by City owned trees. The proposed work is located on the south side of Royal Oaks Drive and east of Las Lomas Road.



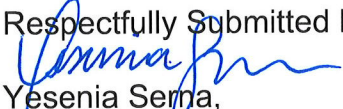
The lowest responsible and responsive bidder, Ruiz Concrete & Paving INC has successfully completed similar projects for the City of Buena Park, Azusa, Gardena,

Manhattan Beach, and more. The bidders contractor license status has been verified by staff.

CONCLUSION

Staff recommends that the City Council award the Las Lomas Road Sidewalk Repair contract to Ruiz Concrete & Paving INC at 1344 Temple Avenue, Long Beach Avenue, CA 90804 in the amount of \$117,441.00.

Respectfully Submitted By,



Yesenia Serna,
Community Development Technician

Agenda Memo City Manager's Office

To: Mayor and Members of the Duarte City Council
From: Karen A. Herrera, Deputy City Manager
Date: December 11, 2018
Subject: Approval – Authorization for City Manager to execute three-year License Agreement with Southern California Edison Company (SCE) for a 21-space parking lot at the Duarte Post Office, effective May 1, 2019 – April 30, 2022

Recommendation

It is recommended that the City Council approve and authorize the City Manager to make final technical modifications and execute on behalf of the City a three-year License Agreement with Southern California Edison Company effective May 1, 2019 through April 30, 2022, for use of the 21-space parking lot at the Duarte Post Office located at 1220 Highland Avenue

Background

For decades, patrons of the Duarte Post Office and City officials alike complained about the lack of adequate parking at the Duarte Post Office. In 2000, the parking lot was finally expanded from 11 to 32, spaces including a convenient new mail drop box with assistance from then US Senator Barbara Boxer and Congressman David Dreier. The City spent approximately \$45,000 to design, construct and landscape the new lot and also assumed liability, maintenance, and utility costs for the property. For the first time, the City entered into a licensing agreement between the City and Southern California Edison for land associated with the 21-space lot. At the same time, the City also negotiated a separate ground lease with the United States Postal Service getting them to reimburse the costs associated with 12 of the 21 spots. This arrangement has continued for approximately 15 years.

Discussion

Since the year 2000, the City has entered into several leases with Southern California Edison i.e. 2006, 2011, 2016, and now the proposed 2019 agreement. The term of the new three-year agreement is for the next three-year period commencing May 1, 2019 through April 30, 2022 with terms and conditions remaining unchanged. The Edison agreement also immediately requires the City to submit current proof of insurance naming the company as additionally insured.

Fiscal Impact

The City will pay Southern California Edison approximately \$23,176.40 out of account no.100-1020-7724 over the next three years.

Attachments: A) License Agreement with Southern California Edison Company (SCE)

CITY OF DUARTE

L I C E N S E A G R E E M E N T
I N D E X O F A R T I C L E S

1. USE
2. TERM
3. CONSIDERATION
4. INSURANCE
5. LICENSOR'S USE OF THE PROPERTY
6. LICENSEE'S IMPROVEMENTS
7. LICENSEE'S PERSONAL PROPERTY
8. HEIGHT LIMITATIONS AND VERTICAL CLEARANCES
9. ACCESS AND CLEARANCES
10. PARKING
11. WEEDS, BRUSH, RUBBISH AND DEBRIS (WEED ABATEMENT)
12. FLAMMABLES, WASTE AND NUISANCES
13. PESTICIDES AND HERBICIDES
14. HAZARDOUS WASTE
15. SIGNS
16. FENCING AND EXISTING FIXTURES
17. PARKWAYS AND LANDSCAPING
18. IRRIGATION EQUIPMENT
19. UNDERGROUND TANKS
20. UNDERGROUND FACILITIES
21. UTILITIES
22. TAXES, ASSESSMENTS AND LIENS
23. EXPENSE
24. ASSIGNMENTS
25. COMPLIANCE WITH LAW
26. GOVERNING LAW
27. INDEMNIFICATION
28. TERMINATION
29. EVENTS OF DEFAULT
30. REMEDIES
31. LICENSEE'S PERSONAL PROPERTY UPON TERMINATION OR EXPIRATION
32. LIMITATION OF LIABILITY
33. NON-POSSESSORY INTEREST
34. WAIVER
35. AUTHORITY
36. ELECTRIC AND MAGNETIC FIELDS

Initial (____)/(____)
Licensor/Licensee

37. INDUCED VOLTAGES

38. NOTICES

39. RECORDING

40. COMPLETE AGREEMENT

41. SIGNATURE AUTHORITY

42. SURVIVAL

APPENDIX: GUIDELINES FOR STANDARD LICENSEE IMPROVEMENTS

ADDENDUM(S)

PARKING

TREES/LANDSCAPING

Initial (____)/(____)
Licensor/Licensee

LICENSE AGREEMENT

THIS AGREEMENT between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation organized under the laws of the State of California, called "Licensor", and CITY OF DUARTE, called "Licensee";

WITNESSETH: That Licensor, for and in consideration of the faithful performance by Licensee of the terms, covenants and agreements hereinafter set forth to be kept and performed by Licensee, does hereby give to Licensee the license to use that certain real property solely for the purpose hereinafter specified, upon and subject to the terms, reservations, covenants and conditions hereinafter set forth, hereinafter designated as "Property" on the Exhibit "A" attached hereto and made a part hereof, being a portion of Assessor's Parcel Number 8529-012-800, situated in the City of Duarte, County of Los Angeles, State of California, subject to any and all covenants, restrictions, reservations, exceptions, rights and easements, whether or not of record.

Acknowledgment of License and Disclaimer of Tenancy

Licensee acknowledges and agrees that the License constitutes a limited, revocable, non-possessory, personal and non-assignable privilege to use the Property solely for those permitted uses and activities expressly identified in the Agreement (the "License Privilege"). Licensee further acknowledges and agrees that:

- The consideration paid by Licensee pursuant to Article 3 of the Agreement is consistent with the value of the rights comprising the License Privilege; the consideration is *not* consistent with the higher market value for a greater right, privilege or interest (such as a lease) in the Property or similarly situated parcels.
- Licensee is not a tenant or lessee of Licensor and holds no rights of tenancy or leasehold in relation to the Property.
- The Agreement and/or any prior and/or future acts or omissions of Licensor shall not create (or be construed as creating) a leasehold, tenancy or any other interest in the Property.
- Licensor may terminate the License and revoke the License Privilege at any time, subject, if applicable, to a notice period agreed upon by the parties, as more particularly set forth in the Agreement.
- In consideration of Licensor's grant of the License, Licensee specifically and expressly waives, releases and relinquishes any and all right(s) to assert any claim of right, privilege or interest in the Property other than the License.
- Licensee further acknowledges and agrees that without the representations and agreements set forth herein, Licensor would not enter into the Agreement.

Initial (____)/(____)
Licensor/Licensee

1. Use: Licensee will use the Property for parking purposes only. Licensor makes no representation, covenant, warranty or promise that the Property, and any fixtures thereon, are fit or suitable for any particular use, including the use for which this Agreement is made and Licensee is not relying on any such representation, covenant, warranty or promise. Licensee's use of the property for any other purpose and/or failure to utilize the Property in accordance with this License as determined by the Licensor in its sole discretion will be deemed a material default and grounds for immediate termination of this Agreement in accordance with Articles 28 and/or 30.

2. Term: Unless otherwise terminated as provided herein, this Agreement will be in effect for a term of five (5) years commencing on the first day of May, 2019 and ending on the last day of April, 2024. Licensee acknowledges that this Agreement does not entitle Licensee to any subsequent agreement, for any reason whatsoever, regardless of the use Licensee makes of the Property, the improvements Licensee places on or makes to the Property, or for any other reason.

3. Consideration: Licensee will pay to Licensor the sum of Two Thousand Forty Eight and 41/100 Dollars (\$2,048.41) upon the execution and delivery of this Agreement with subsequent quarterly payments. Payment to Licensor must be in the form of a check or money order payable to Southern California Edison Company. No cash payments will be accepted by Licensor. Payment schedule:

Year	Term	Yearly Amount	Quarterly Amount	Payment Due First Day Of
First Year	May 1, 2019 – April 30, 2020	\$8,193.65	\$2,048.41	2019 May/ Aug./Nov. 2020 Feb.
Second Year	May 1, 2020 – April 30, 2021	\$8,439.00	\$2,109.75	2020 May/ Aug./Nov. 2021 Feb.
Third Year	May 1, 2021 – April 30, 2022	\$8,692.00	\$2,173.00	2021 May/ Aug./Nov. 2022 Feb.
Fourth Year	May 1, 2022 – April 30, 2023	\$8,953.00	\$2,238.25	2022 May/ Aug./Nov. 2023 Feb.
Fifth Year	May 1, 2023 – April 30, 2024	\$9,222.00	\$2,305.50	2023 May/ Aug./Nov. 2024 Feb.

All accounts not paid by the agreed upon due date may be subject to a late fee of up to 20% of the amount that was due on the date.

All payments subsequent to the initial payment will be paid to the Southern California Edison Company, Post Office Box 800 Rosemead, California, 91770, and Attention: Corporate Accounting Department – Accounts Receivable.

Initial (____)/(____)
Licensor/Licensee

4. Insurance: During the term of this Agreement, Licensee shall maintain the following insurance:

- (a) Workers' Compensation with statutory limits, under the laws of the State of California and Employer's Liability with limits of not less than \$1,000,000.00 each accident, disease/each employee, and disease/policy limit. Licensee shall require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (b) Commercial General Liability Insurance, including contractual liability and products liability, with limits not less than \$1,000,000.00 per occurrence and \$1,000,000.00 in the aggregate. Such insurance shall: (i) name Licensor, its officers, agents and employees as additional insureds, but only for Licensee's negligent acts or omissions; (ii) be primary for all purposes and (iii) contain separation of insureds or cross-liability clause, and (iv) require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (c) Commercial Automobile Liability insurance with a combined single limit of \$1,000,000.00. Such insurance shall cover the use of owned, non-owned and hired vehicles on the Property.
- (d) Self - Insurance: Licensee may self-insure all of the insurance requirements above if they belong to an approved Secondary Use Category and the self-insurance is maintained under a self-insurance program reasonably satisfactory to Licensor. Parking use is an approved Secondary Use Category; Licensee may submit written verification of self-insurance to meet the above insurance requirements.

The failure to maintain such insurance may be deemed by Licensor a material default of this Agreement and grounds for immediate termination pursuant to Articles 28 and/or 30. Licensee shall provide Licensor with proof of such insurance by submission of certificates of insurance, pursuant to Article 38 "Notices", at least ten days prior to the effective date of this Agreement, and thereafter at least ten days prior to each insurance renewal date. Licensee must provide Licensor at least thirty (30) days notice before any such insurance will be canceled, allowed to expire, or materially reduced. However, in the event insurance is canceled for the non-payment of a premium, Licensee must provide to Licensor at least ten (10) days' prior written notice before the effective date of cancellation. The required insurance policies shall be maintained with insurers reasonably satisfactory to Licensor, and shall be primary and non-contributory with any insurance or self-insurance maintained by Licensor.

5. Licensor's Use of the Property: Licensee agrees that Licensor, its successors and assigns, have the right to enter the Property, at all times, for any purpose, and the right to conduct any activity on the Property. Exercise of these rights by Licensor, its successors and assigns, will not result in compensation to Licensee for any damages whatsoever to personal property, structures, and/or crops located on the Property, nor shall Licensee be entitled to any compensation for any loss of use of the Property or a portion thereof, and/or any related damages, as a result of Licensor's activities under this Article.

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6. Licensee's Improvements: Licensee must submit, for Licensors prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, - identifying all existing and proposed improvements, a minimum of sixty (60) days prior to making any use of the Property. Licensee's conceptual plans for proposed improvements shall be developed in accordance with the guidelines contained in the Appendix to this License. It is understood and agreed that the general guidelines contained in the Appendix are intended to provide a framework for the development of conceptual plans only; and that Licensors may modify or add to the conditions contained in the Appendix hereto, based on individual site characteristics, Licensors existing or potential operating needs or Licensee's proposed use(s). Licensee must submit, for Licensors prior written approval plans for any modifications to such improvements. Written approval may be modified and/or rescinded by Licensors for any reason whatsoever.

To the extent Licensors reviews and/or approves any improvement plans, Licensors is doing so only for purposes of determining whether said improvements are compatible with Licensors use of the Property. Under no circumstances shall such review and/or approval be construed as a warranty, representation, or promise that the Property is fit for the proposed improvements, or that said improvements comply with any applicable city, state, or county building requirements, other legal requirements, or the generally accepted standard of care.

At any time, Licensors may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee's risk and expense and without compensation from Licensors. Licensors is not required, at any time, to make any repairs, improvements, alterations, changes or additions of any nature whatsoever to the Property and/or any fixtures thereon. Licensee expressly acknowledges that any expenditures or improvements will in no way alter Licensors's right to terminate in accordance with Articles 28, and/or 30.

7. Licensee's Personal Property: (i) Licensors grants Licensee permission to place Licensee's personal property on the Property consistent with the use identified in Article 1 and other terms of this Agreement. Such permission granted by Licensors shall be revoked upon the earlier of the termination or expiration of this Agreement. All equipment and other property brought, placed or erected on the Property by Licensee shall be and remain the property of Licensee, except as otherwise set forth herein. Licensee shall be responsible for any damage to the Property and/or Licensors's personal property arising out of Licensee's activities on the Property, including its use and/or removal of Licensee's personal property. Licensee further acknowledges and agrees that Licensors is not responsible for Licensee's personal property during the effectiveness of this Agreement, or upon termination or expiration. Licensors further assumes no duty or obligation to maintain or secure Licensee's personal property at any time.

(ii) Unless as specifically provided for in an Addendum to this Agreement, Licensee shall not store on the Property, for a period longer than twenty-four (24) consecutive hours, any personal property owned by a non-party to this Agreement.

Licensee will defend and indemnify Licensors, its directors, officers, agents, subcontractors, and employees, and its successors and assigns, from any and all claims, loss, damage, actions, causes of action, expenses and/or liability arising from the storage of, damage to, and/or loss of use of such non-party's personal property.

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8. Height Limitations and Vertical Clearances: Any equipment used by Licensee or its agents, employees or contractors, on and/or adjacent to the Property, will be used and operated so as to maintain minimum clearances from all overhead electrical conductors as designated in the table below:

Vehicle/ Equipment Vertical Clearance	
500 kV	35 feet
220 kV – 66kV	30 feet
<66kV (Distribution facilities)	25 feet
Telecom	18 feet

All trees and plants on the Property will be maintained by Licensee at a maximum height of fifteen (15) feet. If requested by Licensor, Licensee will remove, at Licensee's expense, any tree and/or other planting.

9. Access and Horizontal Clearances: Licensee will provide Licensor with adequate access to all of Licensor's facilities on the Property and at no time will there be any interference with the free movement of Licensor's equipment, personnel, and materials over the Property. Licensor may require Licensee to provide and maintain access roads within the Property, at a minimum usable width of sixteen (16) feet, with commercial driveway aprons and curb depressions capable of supporting a gross load of forty (40) tons on a three-axle vehicle. The minimum width of all roads shall be increased on curves by a distance equal to 400/inside radius of curvature. All curves shall have a radius of not less than 50 feet measured at the inside edge of the usable road surface. Unless otherwise specified in writing by Licensor, Licensee will make no use of the area directly underneath Licensor's towers and will maintain the following minimum clearances:

- a. A 50-foot-radius around suspension tower legs, H-Frames and poles and 100-foot radius around dead-end tower legs, H-Frames and poles.
- b. A 25-foot-radius around all other poles.

NOTE: Additional clearance may be required by Licensor for structures.

10. Parking: Licensee will not park, store, repair or refuel any motor vehicles or allow parking, storage, repairing or refueling of any motor vehicles on the Property unless specifically approved in a writing executed by Licensor.

11. Weeds, Brush, Rubbish and Debris (Weed Abatement): Licensee will keep the Property clean, free from weeds, brush, rubbish and debris and in a condition satisfactory to Licensor.

12. Flammables, Waste and Nuisances: Unless permitted by Licensor in writing, Licensee will not, or allow others, to place, use, or store any flammable or combustible materials or waste materials on the Property or commit any waste or damage to the Property or allow any to be done. Licensee will be responsible for the control of and will be liable for any damage or disturbance, caused by any trespasser, dust, odor, flammable or waste materials, noise or other nuisance disturbances. Licensee will not permit dogs on the Property.

13. Pesticides and Herbicides: Any pesticide or herbicide applications and disposals will be made in accordance with all Federal, State, County and local laws. Licensee will dispose of all

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pesticides, herbicides and any other toxic substances declared to be either a health or environmental hazard, and all materials contaminated by such substances, including but not limited to, containers, clothing and equipment, in the manner prescribed by law.

14. Hazardous Waste: Licensee will not engage in, or permit any other party to engage in, any activity on the Property that violates federal, state or local laws, rules or regulations pertaining to hazardous, toxic or infectious materials and/or waste. Licensee will indemnify and hold Licensor, its directors, officers, agents and employees, and its successors and assigns, harmless from all claims, loss, damage, actions, causes of action, expenses and/or liability arising from leaks of, spills of, and/or contamination by or from hazardous materials as defined by applicable laws or regulations, which may occur during and after the Agreement term, and are attributable to the actions of, or failure to act by, Licensee or any person claiming under Licensee.

15. Signs: Licensee must obtain written approval from Licensor prior to the construction or placement of any sign, signboard or other form of outdoor advertising. Licensee shall within three (3) days from the date on which the Licensee learns of the graffiti remove any signs containing graffiti or shall otherwise remove such graffiti from the signs in a manner reasonably acceptable to Licensor. Notwithstanding any other language in this Article, Licensee shall not advertise on any sign any product, service, or good which is (i) not directly related to Licensee's use of the Property, (ii) offensive to the public, or (iii) which Licensor, in its reasonable discretion, deems objectionable.

16. Fencing and Existing Fixtures: Licensor disclaims any and all express or implied warranties for any fencing and/or other fixtures affixed to the Property, and further disclaims any liability arising from any disrepair of the same. Licensee may install fencing on the Property with prior written approval from Licensor. Such fencing will include double drive gates, in locations specified by Licensor, a minimum of twenty (20) feet in width, and designed to accommodate separate Licensor and Licensee locks. Licensee will maintain and repair all fencing and other fixtures affixed to the Property, including any grounding of the same as deemed necessary by Licensor, in a manner acceptable to Licensor. Grounding plans must be prepared and stamped by a licensed electrical engineer and submitted to Licensor.

17. Parkways and Landscaping: Licensee will keep parkway and sidewalk areas adjacent to the Property free of weeds, brush, rubbish and debris. Licensee will maintain parkways on the Property and provide landscaping that is compatible with adjoining properties and that is satisfactory to Licensor.

18. Irrigation Equipment: Any irrigation equipment located on the Property prior to the commencement of this Agreement, including but not limited to pipelines, well pumping equipment and other structures, is the property of Licensor and will remain on and be surrendered with the Property upon termination of this Agreement. Should Licensee desire to use the irrigation equipment, Licensee will maintain, operate, repair and replace, if necessary, all irrigation equipment at its own expense.

19. Underground and Above-Ground Tanks: Licensee will not install underground or above-ground storage tanks, as defined by any and all applicable laws or regulations, without Licensor's prior written approval.

20. Underground Facilities: Any underground facilities must be approved by Licensor pursuant to Article 6. Licensee must contact Dig Alert and comply with the applicable processes, policies and/or procedures of Dig Alert, prior to any underground installation. Any underground

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facilities installed or maintained by Licensee on the Property must have a minimum cover of three feet from the top of the facility and be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle. Licensee will compact any earth excavated to a compaction of ninety percent (90%). Licensee will relocate its facilities at its own expense so as not to interfere with Licensor's proposed facilities.

21. Utilities: Licensee will pay all charges and assessments for, or in connection with, water, electric current or other utilities which may be furnished to or used on the Property.

22. Taxes, Assessments and Liens: Licensee will pay all taxes and assessments which may be levied upon any crops, personal property, and improvements, including but not limited to, buildings, structures, and fixtures on the Property. Licensee will keep the Property free from all liens, including but not limited to, mechanics liens and encumbrances by use or occupancy by Licensee, or any person claiming under Licensee. If Licensee fails to pay the above-mentioned taxes, assessments or liens when due, Licensor may pay the same and charge the amount to the Licensee. All accounts not paid within thirty (30) days of the agreed upon due date will be charged a "late fee" on all amounts outstanding up to the maximum rate allowed by law.

23. Expense: Licensee will perform and pay all obligations of Licensee under this Agreement. All matters or things required by Licensee will be performed and paid for at the sole cost and expense of Licensee, without obligation by Licensor to make payment or incur cost or expense for any such matters or things.

24. Assignments: This Agreement is personal to Licensee, and Licensee will not assign, transfer or sell this Agreement or any privilege hereunder in whole or in part, and any attempt to do so will be void and confer no right on any third party.

25. Compliance with Law: Licensee will comply with all applicable federal, state, county and local laws, all covenants, conditions and restrictions of record and all applicable ordinances, zoning restrictions, rules, regulations, orders and any requirements of any duly constituted public authorities now or hereafter in any manner affecting the Property or the streets and ways adjacent thereto. Licensee will obtain all permits and other governmental approvals required in connection with Licensee's activities hereunder. Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or resulting from any violation of this provision.

26. Governing Law: The existence, validity, construction, operation and effect of this Agreement and all of its terms and provisions will be determined in accordance with the laws of the State of California.

27. Indemnification: Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including that of Licensor, or injury to or death of persons, including employees of Licensor resulting in any manner whatsoever, directly or indirectly, by reason of this Agreement or the use or occupancy of the Property by Licensee or any person claiming under Licensee.

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28. Termination: Licensors or Licensees may terminate this Agreement, at any time, for any reason, upon thirty (30) days notice in writing. Additionally, Licensor may immediately terminate this Agreement pursuant to Article 30. Termination does not release Licensee from any liability or obligation (indemnity or otherwise) which Licensee may have incurred. Upon termination, Licensor may immediately recover from Licensee all amounts due and owing hereunder, plus interest at the maximum rate permitted by law on such amounts until paid, as well as any other amount necessary to compensate Licensor for all the detriment proximately caused by Licensee's failure to perform its obligations under this Agreement. Licensee's continued presence after termination shall be deemed a trespass. In the event of a termination for any reason other than non-payment of the License fee, Licensor shall refund any previously collected/pre-paid License fees covering the unused portion of the remaining term, to the extent such fees exceed any offset claimed by Licensor under the Agreement

29. Events of Default: In addition to material defaults otherwise described herein, the occurrence of any of the following shall constitute a material default and breach of this Agreement by Licensee:

- (a) Any failure by Licensee to pay the consideration due under Article 3, or to make any other payment required to be made by Licensee when due.
- (b) The abandonment or vacating of the Property by Licensee.
- (c) Any attempted assignment or subletting of this Agreement by Licensee in violation of Article 24.
- (d) The violation by Licensee of any resolution, ordinance, statute, code, regulation or other rule of any governmental agency for Licensee's activities under this Agreement.
- (e) Any attempt to exclude Licensor from the licensed premises.
- (f) The making by Licensee of any general assignment for the benefit of creditors; the appointment of a receiver to take possession of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder where possession is not restored to Licensee within five (5) days; the attachment, execution or other judicial seizure of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder, where such seizure is not discharged within five (5) days.
- (g) Any case, proceeding or other action brought against Licensee seeking any of the relief mentioned in "clause f" of this Article which has not been stayed or dismissed within thirty (30) days after the commencement thereof.
- (h) Any claim by Licensee that it has a possessory interest and/or irrevocable license in the Property.
- (i) With respect to items not otherwise listed in Article 29.a-h, the failure by Licensee to observe and perform any other provision of this Agreement to be observed or performed by Licensee. Licensor shall provide written notice of such failure and Licensee shall be considered in material default where such failure continues for a total of ten (10) or more consecutive days from the date of the notice. Further, with respect to items not otherwise listed in Article 29.a-h, Licensee shall be considered in material default

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should Licensee fail to observe or perform any other provision of this Agreement for more than fifteen (15) days during the entire Term of the Agreement in the aggregate, after Licenser provides an initial written notice of such failure. After providing initial notice under this provision, Licenser will not be required to provide any subsequent notice of breach of this Agreement.

30. Remedies: Notwithstanding the notice requirement in Article 28, in the event of any material default by Licensee, then in addition to any other remedies available to Licenser at law or in equity, Licenser shall have the option to immediately terminate this Agreement and all rights of Licensee hereunder by giving written notice of such immediate termination to Licensee.

31. Licensee's Personal Property Upon Termination or Expiration: In the event that this Agreement is terminated, whether termination is effected pursuant to Article 28 and/or 30, or in the event this Agreement expires pursuant to Article 2, Licensee shall, at Licensee's sole cost and expense and prior to the earlier of the effective termination date or expiration date, remove all weeds, debris, and waste from the Property and peaceably quit, surrender and restore the licensed Property to the condition it was in prior to the Licensee's use of the Property, in a manner satisfactory to Licenser.

If Licensee fails or refuses to remove any of Licensee's personal property, building(s), fixture(s) or structure(s) from the Property prior to the earlier of the termination date or expiration date, said personal property, building(s), fixture(s) or structure(s) shall be deemed abandoned by the Licensee, and the Licenser shall have the right, but not the obligation, to remove, destroy, sell or otherwise dispose of them with no further notice to Licensee. Licenser shall not be required to seek and/or obtain judicial relief (including, but not limited to, the filing of an unlawful detainer action), nor shall Licenser be responsible for the value of Licensee's personal property.

Licenser shall have the right to charge and recover from Licensee all costs and expenses incurred by Licenser related to (i) the removal, disposal or sale of Licensee's personal property, building(s), fixture(s) or structure(s), (ii), the removal of any waste, weeds, or debris on the Property, (iii) environmental studies and environmental remediation and/or cleanup attributable to Licensee's use of the Property, and (iv) the restoration of the Property to the condition it was in prior to Licenser's initial use of the Property. Licensee agrees to pay such expenses to Licenser upon demand.

32. Limitation of Liability:

IN ORDER FOR LICENSEE TO OBTAIN THE BENEFIT OF THE FEE IDENTIFIED IN ARTICLE 3, WHICH INCLUDES A LESSER ALLOWANCE FOR RISK FUNDING FOR LICENSOR, LICENSEE AGREES TO LIMIT LICENSOR'S LIABILITY PURSUANT TO THIS AGREEMENT. AS SUCH, IF LICENSEE IS ENTITLED TO ANY RELIEF FOR LICENSOR'S NEGLIGENCE, INCLUDING GROSS NEGLIGENCE, FOR DAMAGE OR DESTRUCTION OF LICENSEE'S PERSONAL PROPERTY, BUILDING(S), STRUCTURE(S) OR FIXTURE(S) AFTER THE TERMINATION OR EXPIRATION OF THIS AGREEMENT, THE TOTAL LIABILITY OF LICENSOR SHALL NOT EXCEED THE TOTAL FEES ACTUALLY PAID BY LICENSEE TO LICENSOR DURING THE TERM OF THIS AGREEMENT.

FURTHER, IN NO EVENT SHALL LICENSOR BE LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO LICENSEE'S BUSINESS, IF ANY, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER EVENTS, LOSS OF BUSINESS OPPORTUNITY,

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LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING, RELATED TO THIS AGREEMENT.

33. Non-Possessory Interest: Licensor retains full possession of the Property and Licensee will not acquire any possessory interest, whether temporary, permanent, or otherwise by reason of this Agreement, or by the exercise of the permission given herein. Licensee will make no claim to any such interest and Licensee will not claim that it has or ever had an irrevocable license in the Property.

34. Waiver: Licensor shall not be deemed to waive any provision of this Agreement orally or by conduct. Any waiver by Licensor of any provision of this Agreement must be in a writing signed by Licensor. No waiver by Licensor of any provision shall be deemed a waiver of any other provision or of any subsequent breach by Licensee of the same or any other provision. Licensor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. Licensor's acceptance of payment after providing notice of termination to Licensee shall not constitute a waiver of Licensor's termination of the Agreement.

35. Authority: This Agreement is executed subject to General Order No. 69-C of the Public Utilities Commission of the State of California dated and effective July 10, 1985, incorporated by this reference. As set forth in General Order 69-C, this License is made conditional upon the right of the Licensor either on order of the Public Utilities Commission or on Grantor's own motion to resume the use of that property (including, but not limited to the removal of any obstructions) whenever, in the interest of Licensor's service to its patrons or consumers, it shall appear necessary or desirable to do so. Licensee agrees to comply with all federal, state and local laws and regulations. This Agreement should not be construed as a subordination of Licensor's rights, title and interest in and to its fee ownership, nor should this Agreement be construed as a waiver of any of the provisions contained in said License or a waiver of any costs of relocation of affected Licensor facilities.

36. Electric and Magnetic Fields ("EMF"): There are numerous sources of power frequency electric and magnetic field ("EMF"), including household or building wiring, electrical appliances and electric power transmission and distribution facilities. There have been numerous scientific studies about the potential health effects of EMF. Interest in a potential link between long-term exposures to EMF and certain diseases is based on this scientific research and public concerns.

While some 40 years of research have not established EMF as a health hazard, some health authorities have identified magnetic field exposures as a possible human carcinogen. Many of the questions about diseases have been successfully resolved due to an aggressive international research program. However, potentially important public health questions remain about whether there is a link between EMF exposures in homes or work and some diseases including childhood leukemia and a variety of other adult diseases (e.g. adult cancers and miscarriages). While scientific research is continuing on a wide range of questions relating to exposures at both work and in our communities, a quick resolution of the remaining scientific uncertainties is not expected.

Since Licensee plans to license or otherwise enter Licensor property that is in close proximity to Licensor electric facilities, Licensor wants to share with Licensee and those who may enter the property under this agreement, the information available about EMF. Accordingly, Licensor has attached to this document a brochure that explains some basic facts about EMF and that describes Licensor policy on EMF. Licensor also encourages Licensee to obtain other information as needed to assist in understanding the EMF regarding the planned use of this property.

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37. Induced Voltages: Licensee hereby acknowledges that any structures (including, but not limited to, buildings, fences, light poles) that exist or may be constructed on the Property licensed herein, (hereinafter, the "Structures") in close proximity to one or more high voltage (66 kilovolt or above) electric transmission lines and/or substation facilities may be susceptible to induced voltages, static voltages and/or related electric fault conditions (hereinafter collectively referred to as "Induced Voltages") unless appropriate grounding or other mitigation measures are incorporated into the Structures. If not properly mitigated, Induced Voltages can cause a variety of safety and/or nuisance conditions including, but not limited to, electric shocks or other injuries to individuals contacting the Structures or other utilities connected to the Structures (including, but not limited to, natural gas lines, water lines or cable television lines), or interference with or damage to sensitive electronic equipment in or around the Structures. Measures to mitigate Induced Voltages, if required, will vary from case to case because of factors such as electric facility configuration and voltage, other utilities involved, or sensitivity of electronic equipment. Licensee will be responsible to determine what Induced Voltages mitigation measures should be undertaken regarding the Structures and to implement such mitigation measures at its sole cost and expense.

Licensee agrees for itself and for its contractors, agents, licensees, invitees, and employees, to save harmless and indemnify Licensor, its parent, subsidiaries and affiliated entities and their respective officers and employees against all claims, loss, damage, actions, causes of action, expenses and/or liability arising from or growing out of loss or damage to property, including Licensor's own personal property, or injury to or death of persons, including employees of Licensor caused by or resulting from or connected to Induced Voltages on or related to the Structures.

38. Notices: All notices required to be given by either party will be made in writing and deposited in the United States mail, first class, postage prepaid, addressed as follows:

To Licensor: Southern California Edison Company
Real Properties Department
Land Management – Metro Region
2 Innovation Way
Pomona, CA 91768

To Licensee: City of Duarte
1600 Huntington Drive
Duarte, CA 91010

Business Telephone No. (626) 357-7931 Ext. 221

Notice will be deemed effective on the third calendar day after mailing. A party will immediately notify the other party in writing of any address change.

39. Recording: Licensee will not record this Agreement.

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40. Complete Agreement: Licensor and Licensee acknowledge that the foregoing provisions and any appendix, addenda and exhibits attached hereto constitute the entire Agreement between the parties. This Agreement may not be modified, amended, contradicted, supplemented or altered in any way by any previous written or oral agreements or any subsequent oral agreements or unsigned written agreements. This Agreement may be modified or amended only by way of a writing executed by both parties.

41. Signature Authority: Each of the persons executing this Agreement warrants and represents that he or she has the full and complete authority to enter into this Agreement on behalf of the Party for which he or she is signing, and to bind said party to the agreements, covenants and terms contained herein.

42. Survival: Any provision of this Agreement that imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate.

LICENSOR:

SOUTHERN CALIFORNIA EDISON COMPANY

By _____

YVONNE HA
Land Services Agent
Land Management – Metro Region
Real Properties Department

Date

LICENSEE:

CITY OF DUARTE

By _____
Darrell George, City Manager

Date

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Licensor/Licensee

APPENDIXGuidelines for Standard Licensee Improvements

The following criteria are provided to aid in developing a conceptual plot plan to be submitted to Southern California Edison Company herein after referred to as "Licensor" for consideration and approval prior to the start of any construction on "Licensor" property.

Plans should be developed indicating the size and location of all planned improvements. The plan should specify the dimensions of all planned improvements and the distance of all planned improvements from property lines and all adjacent "Licensor" towers, poles, guy wires or other "Licensor" facilities.

The plan must show the locations of all "Licensor" towers and poles, 16-foot wide access roads, main water lines and water shut-off valves, electrical service lines and parking areas. All plans must indicate adjacent streets and include a "north arrow" and the Licensee's name.

SHADE STRUCTURES

(Definition: A non-flammable frame covered on the top with a material designed to provide shade to aid in growing plants)

1. Shade structures must maintain minimum spacing of 50 feet between shade structure locations, should be placed perpendicular to Licensor's overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
 - a. 100 feet in length
 - b. 50 feet in width
 - c. 15 feet in height
2. Shade structures will not be permitted within the following areas reserved for Licensor's access:
 - a. Within 2 feet from edge of 16-foot wide access roads
 - b. 50-foot radius around suspension tower legs, H-Frames and poles
 - c. 100-foot radius around dead-end tower legs, H-Frames and poles
 - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shade structures must utilize the following design:
 - a. Temporary/slip joint construction only
 - b. Non-flammable frame only
 - c. Adequately grounded by a licensed electrical engineer
 - d. Shade covering must be non-flammable and manufactured with non-hydrocarbon materials.

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SHADEHOUSES/HOTHOUSES

*(Definition: A simple, non-flammable, enclosed structure designed to control temperature **without** the benefit of heating and/or air conditioning units to aid in propagating and/or growing plants)*

1. Shadehouses/hothouses must maintain minimum spacing of 50 feet between shadehouse/hothouse locations, should be placed in perpendicular to Licensor's overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
 - a. 100 feet in length
 - b. 50 feet in width
 - c. 15 feet in height
2. Shadehouses/hothouses will not be permitted within the following areas reserved for Licensor's access:
 - a. Within 2 feet from edge of 16-foot wide access roads
 - b. 50-foot radius around suspension tower legs, H-Frames and poles
 - c. 100-foot radius around dead-end tower legs, H-Frames and poles
 - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shadehouses/hothouses must utilize the following design:
 - a. Temporary/slip joint construction only
 - b. Non-flammable frame only
 - c. Adequately grounded by a licensed electrical engineer
 - d. Covering must be non-flammable and manufactured with non-hydrocarbon materials

GREENHOUSES

(Definition: An enclosed structure designed to control temperature and/or humidity by the use of heating and/or air conditioning units to aid in propagating and/or growing plants)

Greenhouses will be considered on a case-by-case basis.

IRRIGATION SYSTEMS / WELLS

1. Maximum diameter of pipe: 3 inches
2. All pipe must be plastic Schedule 40 or better
3. No irrigation system will be permitted within the following areas reserved for Licensor's access:
 - a. Within 2 feet from edge of 16-foot wide access roads
 - b. 50 -foot radius around suspension tower legs, H-Frames and poles

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- c. 100-foot radius around dead-end tower legs, H-Frames and poles
- 4. Sprinkler and drip irrigation controllers must be located at the edge of the right of way
- 5. Suitable identification markers will be required on main controllers and valves
- 6. Locations of main shut off valve will be provided and shown on a plot plan
- 7. Underground facilities must have a minimum cover of three feet
- 8. Earth disturbed must be compacted to ninety percent (90%)

LANDSCAPING

- 1. No trees will be permitted under the overhead electrical conductors or within 20 feet of the "drip line" of the conductors
- 2. Trees must have slow to moderate growth, and must be of a variety that grows to a maximum height of only 40 feet and must be maintained by the Licensee at a height not to exceed 15 feet
- 3. Placement of large rocks (boulders) must be approved in writing by Licensor
- 4. Any mounds or change of grade must be approved in writing by Licensor
- 5. No cactus or thorny shrubs will be permitted
- 6. Retaining walls, planters, etc. may be considered on a case by case basis and must be approved in writing by Licensor

TRAILERS *(Definition: Removable / portable office modules are not permitted without Licensor's prior permission. Trailers must meet the following criteria to be considered: Trailers must meet the following criteria:*

- a. Must have axles and wheel and be able to be moved
- b. Maximum length: 40 feet
- c. Maximum height: 15 feet
- d. Maximum width: 12 feet
- 2. No trailers will be permitted within the following areas reserved for Licensor's access:
 - a. Within 2 feet from edge of 16-foot wide access roads
 - b. 50-foot radius around suspension tower legs, H-Frames and poles
 - c. 100-foot radius around dead-end tower legs, H-Frames and poles
 - d. 25-foot radius around anchors/guy wires, poles and wood poles
 - e. Under or within 10 feet of the conductor "drip lines"

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Licensor/Licensee

3. Sewer or gas lines to trailers must be approved in writing by Licensor
4. Location of all electrical and telephone lines must be approved in writing by Licensor
5. Electrical lines must be installed by a licensed -general contractor.
6. Trailers shall not be used for residential purposes
7. Toxic or flammable materials will not be permitted in trailers
8. Adequately grounded by a licensed -general contractor

PARKING AREAS

Parking areas should not be designed under the overhead electrical conductors or within 10 feet of the "drip lines" without Licensor's prior written approval. Parking spaces to be identified under the approved site plan. "No Parking" striping may be required in areas where additional clearance is required.

MATERIAL STORAGE

1. If an emergency occurs, Licensee must immediately relocate all materials specified by Licensor to provide Licensor clear access to its facilities.
2. Licensee must provide Licensor with a list of material stored on the right of way
3. No toxic or flammable materials will be permitted
4. No materials shall be stored within the following areas reserved for Licensor's access:
 - a. Within 2 feet from edge of 16-foot wide access roads
 - b. 50 - foot radius around suspension tower legs, H-Frames and poles
 - c. 100 - foot radius around dead-end tower legs, H-Frames and poles
 - d. 25 feet from anchors/guy wires, poles and wood poles
5. Storage of materials not to exceed a maximum height of 15 feet
6. No storage of gasoline, diesel or any other type of fuel will be permitted
7. Any fencing around the storage areas must have Licensor's prior written approval.

Initial (____)/(____)
Licensor/Licensee

A D D E N D U M

PARKING

- A. Vehicles parked on the Property are limited to those owned by Licensee and its employees, invitees, customers and visitors. Licensee will not allow the storage, repairing or refueling of any vehicles on the property.
- B. Licensor only allows overflow parking. No portion of the Property will be used to satisfy the minimum parking requirements of any government agency.
- C. Licensee must obtain prior written approval from Licensor for any vehicle parking improvements and/or subsequent modification. Licensee will maintain parking improvements at all times in a safe condition satisfactory to Licensor.
- D. At any time, Licensor may require removal, modification, or relocation of any portion of the parking improvements. At Licensee's sole expense, Licensee will remove, modify, or relocate same to a location satisfactory to Licensor, within sixty (60) days after receiving notice to remove, modify, or relocate from Licensor.
- E. Parking will be permitted in designated areas only. Unless prior written approval is received from Licensor, no parking will be permitted under or within ten (10) feet of the "drip line" of Licensor's overhead electrical conductors.
- F. All parking spaces and parking improvements are to be identified on a site plan and submitted to Licensor to obtain prior written approval from Licensor.
- G. Bollards, K-rails, or "No Parking" striping may be required to protect Licensor's structures or in areas where additional clearance is required.
- H. The Licensee's parking area shall not interfere with the Licensor's minimum access road requirements.

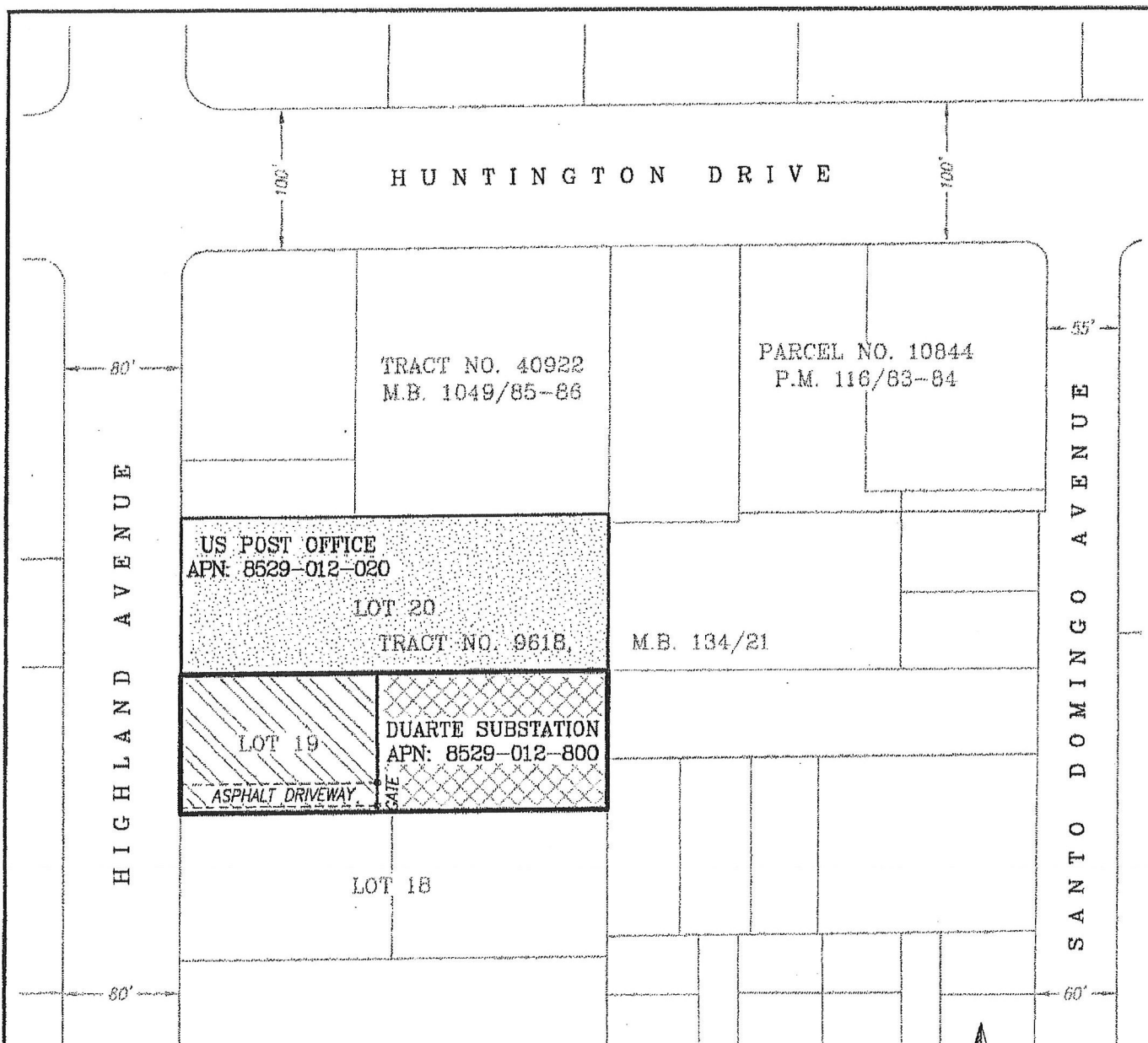
Initial (____)/(____)
Licensor/Licensee

A D D E N D U M

TREES/LANDSCAPING

- A. Existing landscaping improvements (trees, plants, and shrubs) have been inspected and approved by Licensor. This written approval may be modified and/or rescinded by Licensor for any reason whatsoever.
- B. At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee's risk and expense and without any compensation from Licensor.
- C. Licensee agrees and accepts full responsibility for the maintenance and/or removal of all trees, plants, and shrubs (vegetation) located on the property. All costs associated with the maintenance and/or removal of trees/vegetation will be the sole burden of Licensee.
- D. Periodically, the Property will be inspected by Licensor, and upon determination that any tree/vegetation requires trimming or removal, Licensee will be notified by Licensor. Failure by Licensee to trim or remove said tree/vegetation in the time allotted, that results in Licensor's contractor performing the work, Licensee will be billed by Licensor for the contractor's expense; and Licensee may be subject to termination under the terms and conditions of the Permit or License.
- E. Trees/vegetation must be slow growing and maintained by Licensee to not exceed fifteen (15) feet in height.
- F. Failure by Licensee to maintain all permit or license clearance requirements will require removal at Licensee's expense.
- G. Unless authorized in writing by Licensor, Licensee agrees not to plant any additional trees, plants, or shrubs within the Property. If additional authorization is requested by Licensee and prior written authorization is received by Licensor, no tree or plant species that is protected by federal or state law shall be planted within Licensor's land and no cactus or thorny shrubs/plants will be permitted.
- H. Any improvements or alterations, including retaining walls, planters, placement of large rocks, etc. and any mounds or changes of grade, require prior written approval by Licensor.
- I. Licensee will keep the Property clean, free from weeds, rubbish and debris, and in a condition satisfactory to Licensor.
- J. Upon permit or license termination, Licensee agrees to remove all trees/vegetation and improvements and restore the Property to a condition satisfactory to Licensor, at the sole expense of Licensee.

Initial (____)/(____)
Licensor/Licensee



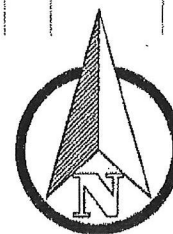
LEGEND



LANDS OF SOUTHERN CALIFORNIA EDISON COMPANY



AREA BEING LICENSED TO THE CITY OF DUARTE
FOR PARKING PURPOSES ONLY.



0 100 200

SCALE IN FEET

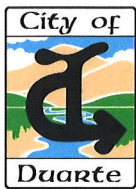
EXHIBIT "A"

FACILITY NAME: DUARTE SUBSTATION			LICENSED AREA (GROSS)	SQ.FT.: 13,093	AC.: 0.30
LICENSEE: CITY OF DUARTE			CONTRACT NO.: 9.4162	ACCOUNT NO.: L3092	
CITY: DUARTE		COUNTY: LOS ANGELES	STATE: CA	T.G.: 568/B5	M.S.: 056-090
APN(S): 8529-012-800			SCE DOCUMENT NO.: 93468/001		
SCE SANDERS MAP: N/A		SCE LAND BOOK: LB430	REF: N/A		 SOUTHERN CALIFORNIA EDISON An EDISON INTERNATIONAL® Company
R.P. LAND AGENT: L. DIEP		LANDBASE MAPPING: J.F. ACEVES	CHECKED BY: E. HERNANDEZ		
ORDER NO.: 801167420	NOT. NO.: 202715217	DATE: 09/25/2015	FILE NAME: 9.4162.DWG		



SOUTHERN CALIFORNIA
EDISON

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AGENDA MEMO

TO: MAYOR & MEMBERS OF THE DUARTE CITY COUNCIL
FROM: Karen A. Herrera, Deputy City Manager
SUBJECT: Burrtec Waste Services Annual Performance & Rate Review
DATE: 12/11/18

RECOMMENDATION: That the City Council, by motion, approve both the Burrtec Waste Services Annual Performance review and Amendment No. 10 to the Municipal Solid Waste, Recyclables and Green Waste Services Agreement between the City of Duarte and Burrtec Waste Services, including the refuse collection and recycling rates set forth in the attached schedule, to become effective January 1, 2019.

PERFORMANCE REVIEW BACKGROUND: In 2009, as part of Amendment No. 3 to the "Agreement Between the City of Duarte and Burrtec Waste Services, the entities agreed to an annual "Performance Review" process starting in 2014. Commencing in 2018 as part of Amendment No. 9 and each year after, Burrtec is required to submit to the City prior to September 1, the agreed upon documentation to complete a performance review.

Based on their submittal, staff has had the period of September 1 through November 30th to review provided documentation and pass on comments. Specifically, staff meets with Burrtec to review the draft and provide input. Staff comments on such areas as content, exhibits, presentation, no. of categories and the executive summary. Once this process is complete, the document is presented to Council for acceptance.

Amendment No. 9 was developed to ensure a minimum ten-year "Term of Agreement" period on the Burrtec Waste Services Contract at any given time. Burrtec has represented to the City this type of term is typical of municipal waste hauling contracts which typically range in term from anywhere from five to fifteen years due to the highly technical bidding, contractual, capital and logistical issues associated with changing a Citywide refuse and recycling contractor; especially in an exclusive commercial and residential franchise setting such as Duarte.

The current Burrtec Agreement has an end date of December 31, 2027. Under the provisions of Section 3.01(d) of Amendment No. 9, this period automatically extended for a one-year period on December 1, 2018, maintaining the ten-year term.

PERFORMANCE REVIEW DISCUSSION: The 2017 Burrtec Waste Services Annual Performance Review is an approximately 69-page document consisting of 11 performance elements, 30 sub-categories, exhibits, an executive summary and findings. It focuses on the period of January 1, 2017 through December 31, 2017. The eleven performance elements are as follows:

- Payment of Fees to the City
- No Charge City Services
- Services
- Licenses
- Insurance/Bonds
- Monthly Waste Generation Reports
- Outreach
- Operations
- Vehicles
- Mandatory Commercial & Multi Family Recycling
- Mandatory Commercial Organics AB 1826

Information, discussion and exhibits were provided for all categories and many of the 30 sub-categories. In general, Burrtec Waste Services were found to follow all the performance categories. Some of the 2017 report highlights are as follows:

- Franchise Fees - Burrtec paid \$420,479.84 in Franchise Fees
- AB939 Fees - Burrtec paid \$65,073.62 in annual AB939 Fees
- Christmas Tree Recycling - Burrtec collected/recycled 17.94 tons of Trees
- Senior Services - Burrtec provides no charge barrel roll out services to 21 seniors & the Senior Citizen Rate of \$17.00 p/m to 107 customers
- Annual Service Levels - Burrtec provides annual service to 4,507 barrel customers, 270 bin customers and 29 roll-off customers. This equates to over 770,000 acts of refuse service in Duarte, per year.
- Complaints/Reponses - During 2017 Burrtec received and responded to 308 calls within 24-hours; of those 297 were for misses, 11 were for street sweeping complaints.
- Burrtec provided 1,568 bulky item curbside collections equating to 146.7 tons of bulky items and e-waste.
- Community Clean-ups - Burrtec conducted two Community cleanups in 2017 (April 8 and September 30) and supplied roll-offs in support of homeless encampment projects. Over 100 tons were collected at both events.
- Sharps/Used Oil Collection - Burrtec collected 59 pounds of sharps from residential customers. In terms of oil, they delivered 1 empty container. Both Burrtec and the City reminded residents of the used oil recycling collection program throughout the year, but no requests for service were received.
- Safety Record – During 2017, Burrtec experienced five incidents resulting in 14 days away from work and 0 days of modified duty.
- Vehicle Maintenance – The all-CNG fleet is routinely inspected in intervals of 30, 60 and 90 days, maintenance support vehicles are readily available to respond to field breakdowns, and all trucks maintain spare parts to handle quick, routine repairs. Trucks are repainted as needed or at the City's request to maintain trucks in good condition.
- Container Maintenance – Residential bins are routinely exchanged on an as needed basis or within the next service day of a request. In 2017, Burrtec exchanged 78 bins and 1,788 barrel containers.

- Insurance/Bonds – Burrtec maintains all Agreement required Performance Bonds, Worker's Compensation and General Liability Insurance policies.
- Waste Generation Reports – Burrtec submits these reports monthly and in a timely fashion. These reports enable staff to complete the Annual AB 939 State Report to Cal Recycle in concert with the 17 other LARA member cities.
- Community Involvement – Sponsor of Earth Day, Mayor's Prayer Breakfast, Community Movie Nights, City Picnic, NAACP Act-so, two community clean ups, neighborhood clean-ups, and conducted three San Gabriel River clean-ups.
- Public Education – Burrtec completed four residential and two commercial newsletters, and special mailers on Street Sweeping and MCR/MORE Compliance. They also distributed recycling, anti-scavenging, used oil disposal information at a variety of community events including Community Movie nights, Earth Day, Taste of Duarte, City Picnic and at community clean-ups.
- Mandatory Commercial/Multi-family Recycling – Burrtec conducted 211, on site waste assessments in 2017 (twice times the amount of the previous year) and currently have 63 out 84 eligible Multi-family complexes and 69 out of 104 eligible Commercial customers recycling.
- Mandatory Commercial Organics – AB: 1826 Solid waste: organic waste was signed by Governor Brown in late 2014. The essence of the new law is that on and/or after January 1, 2016, each jurisdiction shall implement an organic waste recycling program that is appropriate for that jurisdiction and designed specifically to divert organic waste generated by businesses generating 8 cubic yards or more of organic waste. The recycling requirement phased in from 2016 to 2020 decreasing the amount of organic waste from 8 or more to 4 cubic yards effective January 1, 2017. Further, coming up January 1, 2019, a business that generates 4 cubic yards or more of commercial solid waste per week must arrange for organic waste recycling services. Note: There is a difference in the amount of commercial and multi-family numbers in this category compared to AB 341 numbers because certain multi-family and commercial accounts do not generate 4 cubic yards of organics per week. This number will change effective January 2019 when the 4-cubic yard generation threshold is no longer applicable.

The following table summarizes the AB 1826 program status as of December 2017:

Service	December 2017	
	Commercial (4 yd or more)	Multi-Family (5+ units)
With Recycling	12*	2*
Without Recycling	24	51

*Note: total includes self-haul accounts

FINDINGS: Overall, Burrtec continues to be compliant with its service agreement and provide excellent customer service based on the provided documentation, in addition to the independent research of the overall performance review process.

Based on the review, staff would like Burrtec to increase their outreach efforts for the following programs: Sharps/Used Oil Collection, Commercial/Multifamily recycling and organics. The City would also like them to work on reducing the number of calls for service particularly for missed service. Since 2015 this number continues to grow larger; this year by 10%. We are hoping the number will get back more in line with pre-2015 Performance Review numbers.

RATE REVIEW BACKGROUND: Burrtec Waste Services began providing franchised refuse collection and recycling services in the City of Duarte on November 1, 1996. Since the onset of the contract, Burrtec has consistently provided top quality service at a competitive rate, with quick response times to questions or concerns. Over the years Burrtec has completed the conversion of the diesel fleet to alternative fuel trucks; implemented used oil and sharps curbside collection programs, offered free document shredding and compost materials at the annual Community Clean-ups, maintain a multi-family recycling program featuring a 75% participation rate and most recently, introduced a commercial food waste recycling program. Burrtec has also always been a stellar example of a good community partner. The Company consistently is a strong community presence by supporting numerous community events and programs such as the recent annual Mayor's Prayer Breakfast, Earth Day, Taste of Duarte, Community Movie Nights, City picnic and more.

RATE REVIEW DISCUSSION: The original Burrtec contract sets forth a specific formula by which rates are to be adjusted over time. In October of 2018, Burrtec submitted its original request for adjustments to its residential, commercial and roll off rates to become effective January 1, 2019. The City's responsibility is to review the rates proposed by Burrtec and confirm that the calculations are correct. The basic contract rate review provisions are as follows:

- Rates are to be adjusted annually effective each January 1.
- Rates are adjusted up or down based on the contract formula that accounts for various cost factors, including Consumer Price Index (CPI), fuel prices and tipping fees.
- Burrtec may request an adjustment more than 4%, when justified.

City staff has been reviewing the submitted cost data and the rate increase information, and confirms the calculations are following the contract provisions.

Residential Refuse, Organics and Recycling Rate Analysis: The current Residential Service Rates have been in effect since January 1, 2018. In order to maintain some of the best rates in the San Gabriel Valley for its residential and commercial customers and due to the fact contractually Burrtec owns the waste post collection, Burrtec for years has negotiated a lower disposal fee at the local Azusa Waste Management MRF. Specifically, refuse disposal at \$48.38 a ton compared to the \$61.45 a ton gate rate at Puente Hills.

However, over the past year, the factors that make-up the rate have increased dramatically particularly due to changes in the Chinese recycling markets known as the "China National Sword" policy. Prior to January of 2018, the US as well as other countries has relied almost solely on China to accept recyclables such as paper, cardboard and

plastics. Since the introduction of the policy, China has established strict new contamination thresholds which includes bans on mixed paper and various grades of post-consumer plastics. This shift has impacted recycling programs and is most evident in the residential credit Duarte residents receive for recyclables has reduced from 69 cents to 17 cents; a difference of 52 cents in one year. (See Chart below)

Category	2016	2017	2018
CPI Cost	1.2%	2.5%	3.9%
Fuel Cost	-0.8%	2.5%	1.65%
Green Waste Cost	\$43	\$44.29	\$45.17
Trash Disposal Cost	\$46	\$47.38	\$48.38
Recycling Credit	\$0.55	\$0.69	\$0.17

As illustrated in the above chart, increases continue to mount in the green waste disposal category since Puente Hills stopped using green waste as alternative daily cover (ADC) back in November 2013. The other main components included in the rate calculation are the CPI which was 3.9% for 2018 and the increase in the average price per gallon of fuel based on the US Dept. of Energy Alternative Fuel Pricing Report, which was 1.65%.

Because of the above costs and credits, Burrtec is seeking an increase in residential disposal rates by more than the CPI for only the second time in this history of their contract, specifically, by 6.4% for the most common form of residential disposal; the 90/60/60 service. In comparison to other utilities' cost over the same period i.e.: electricity, water, natural gas, etc., waste disposal and recycling have remained more stable and service levels have increased i.e.: multi-family recycling, free compost materials and paper shredding at community events, and curbside sharp disposal and collection. Despite this increase, Duarte continues to maintain some of the lowest rates in Los Angeles County, as shown below. The chart illustrates the most common forms of service i.e. residential (90/60/60) and commercial 3-yard bin serviced once per week.

RATE SURVEY 2018

City	Hauler	Residential	Commercial
Duarte - current	Burrtec	\$22.45	\$172.81
Duarte - proposed	Burrtec	\$23.89	\$182.78
Monterey Park	Athens / Ware	\$23.94	\$131.44
La Verne	Waste Mgt	\$24.06	\$150.26
Azusa	Athens	\$25.96	\$132.19
El Monte	Valley Vista	\$26.04	N/A
Baldwin Park	Waste Mgt	\$26.20	\$188.45
La Puente	Valley Vista	\$28.92	\$157.36
Arcadia	Waste Mgt	\$28.96	\$146.20
Pomona	City	\$29.17	N/A
Monrovia	Athens	\$30.03	\$172.24
West Covina	Athens	\$31.52	\$194.29
Covina	Athens	\$31.58	\$174.98
San Dimas	Waste Mgt	\$32.14	\$171.87
Diamond Bar	Waste Mgt/Vly Vista	\$32.62	\$136.04
Glendora	Athens	\$32.76	\$192.93
Claremont	City	\$34.18	\$138.23
San Gabriel	Athens	\$35.52	\$202.82
Sierra Madre	Athens	\$36.02	\$176.02
San Marino	Athens	\$36.21	N/A
Pasadena	City	\$40.99	\$170.24
South Pasadena	Athens	\$41.87	\$162.22
Montebello	Athens	N/A	N/A

The chart below illustrates Duarte's most commonly used residential service (90/60/60 bin combination) and how the it has fluctuated over time and the impact of the new increase.

Residential Refuse and Recycling Rate:(90/60/60)

Residential Rate	2016	2017	2018	Proposed 2019
Base Monthly Rate	\$18.60	\$19.42	\$19.75	\$21.02
Franchise Fee	<u>\$2.56</u>	<u>\$2.65</u>	<u>\$2.69</u>	<u>\$2.87</u>
TOTAL	\$21.16	\$22.07	\$22.45	\$23.89

Residential Street Sweeping: Burrtec is also requesting a 4% percent cost increase for street sweeping which too has been confirmed and is just slightly over the contract CPI provisions.

Residential Rate	2016	2017	2018	Proposed 2019*
Base Monthly Rate	\$1.31	\$1.33	\$1.56	\$1.62
Franchise Fee	<u>\$0.18</u>	<u>\$0.18</u>	<u>\$0.21</u>	<u>\$0.22</u>
TOTAL	\$1.49	\$1.51	\$1.77*	\$1.84*

***Note:** Upon finalization of the new Citywide Street Sweeping Program during 2018, including signage installation, this fee increased by approximately 15% (re-route cost) per month to accommodate the alternate day, alternate side of the street schedule. Prior to that, the fee had been \$1.55 per month in 2018. The proposed 2019 fee includes the re-route cost as well.

Commercial Refuse, Organics, Roll-Off, Recycling & Street Sweeping Rate

Analysis: In terms of Commercial Bin Service, there will be increases in Commercial disposal ranging from 9.7% down to 6.4% with the most common form, i.e. one 3 yard bin emptied once per week, equating to an increase of \$12.62 per month. Green Waste Service rates are being increased between 3.0% and 3.2% resulting in a \$4.77 monthly increase for the most common level of service. The Equalized Organics Food Waste program will also experience increases ranging from 4.6% to 8.1% depending on barrel or bin size.

As stated by its name, the program carries a similar rate structure to commercial refuse service to encourage participation. Recycling Bin Service will increase over the various service levels ranging from 8.5% to 14%. The most common level of recycling service (one 3-yard bin serviced once per week) will increase by \$11.03 or from \$110.19 to \$121.22 per month. The other major Commercial Services; Refuse, Green Waste and Recycling Roll-Off services are also going up from 2.8% to 3.7%.

The other categories of Commercial Roll-Off service such as Clean Inert are changing to reflect current inert disposal recycling trends. Inerts include materials such as dirt, concrete, rock and asphalt which vary in tip fees dependent upon material type and material cleanliness. Mixed C & D is seeing a just a slight increase of approximately 1.4%.

Commercial Street Sweeping: This category increased from \$3.41 to per month to \$3.54; an increase of 13 cents. Note: this fee had increased from \$2.96 to \$3.41 earlier in 2018 upon finalization of the new Citywide Mandatory Street Sweeping Program. Like the residential program, these fees also reflected a new 15% additional reroute cost.

FISCAL IMPACT: In the event of approval, the current Burrtec Waste Services Agreement would be extended to December 31, 2028 and the proposed above rate increases would be put into effect January 1, 2019. These varying rate increases will result in an overall increase in City Franchise Fees for both Residential and Commercial services as well.

ATTACHMENTS:

Attachment A: Annual Performance Review

Attachment B: Rate Sheet

Attachment C: Amendment No. 10

City of Duarte
 Burrtec Waste Services
Annual Refuse Collection and Recycling Rate Adjustment
Effective January 1, 2019

	Current Rates	Proposed New Rates	Change	
<u>Residential Service:</u>				
90/60/60	22.45	23.89	6.4%	
60/60/60	19.50	20.75	6.4%	
40/60/60	17.97	19.12	6.4%	
40/60/60 - Senior and/or handicapped	17.00	18.09	6.4%	
Additional 90 gallon refuse container (each)	7.28	7.56	3.8%	
Additional 60 gallon refuse container (each)	5.67	5.89	3.9%	
Extra refuse container collection/service (each)	7.40	7.69	3.9%	
Additional recycling container - one	no charge	no charge		
Additional recycling containers - two or more (each)	1.31	1.36	3.8%	
Additional green waste container (each)	1.35	1.40	3.7%	
Wildlife deterrent barrel (+ base fee)	7.05	7.32	3.8%	
Container exchange (1 free/year) (each)	19.70	20.47	3.9%	
Additional bulky waste pickup including CRT (2 free/yr)	24.66	25.62	3.9%	
Backyard collection:				
Resident requested convenience (+ base fee)	21.30	22.13	3.9%	
Manual collection (+ base fee)	27.32	28.39	3.9%	
Senior and/or handicapped	base fee only	base fee only		
Residential Street Sweeping Service Alternate Day/Side	1.77	1.84	4.0%	
<u>Commercial Service:</u>				
Wheeled toter (90/60 - once per week)	27.88	28.58	2.5%	
Wheeled toter (60 recycling only - once per week)	11.96	13.12	9.7%	
Wheeled toter (90/60 green waste only - once per week)	16.18	16.71	3.3%	
Extra Pickup - Barrel Trash	7.40	7.69	3.9%	
Extra Pickup - Barrel Food Waste	14.62	15.19	3.9%	
Refuse bin collection:				
	Times			
<u>Bin Size</u>	<u>per Week</u>			
1.5	1	117.12	124.64	6.4%
1.5	2	196.86	210.51	6.9%
2	1	148.48	158.25	6.6%
2	2	242.91	260.32	7.2%
3	1	170.16	182.78	7.4%
3	2	278.49	301.36	8.2%
3	3	409.18	443.11	8.3%
3	4	528.59	573.19	8.4%
3	5	647.96	703.22	8.5%
3	6	767.40	833.33	8.6%
4	1	227.02	243.84	7.4%
4	2	367.84	398.16	8.2%
4	3	508.62	552.46	8.6%
4	4	649.40	706.74	8.8%
4	5	790.16	861.04	9.0%
4	6	930.95	1,015.31	9.1%
6	1	340.61	365.86	7.4%
6	2	522.28	566.65	8.5%
6	3	703.88	767.39	9.0%
6	4	885.56	968.20	9.3%
6	5	1,067.26	1,169.01	9.5%
6	6	1,248.89	1,369.79	9.7%

Recycling bin collection:

<u>Bin Size</u>	<u>Times per Week</u>			
1.5	1	73.02	79.20	8.5%
1.5	2	99.56	110.20	10.7%
1.5	3	143.36	159.13	11.0%
2	1	91.22	99.25	8.8%
2	2	123.41	137.27	11.2%
2	3	177.66	198.19	11.6%
2	4	267.54	296.07	10.7%
3	1	110.19	121.22	10.0%
3	2	158.35	178.15	12.5%
3	3	228.88	258.27	12.8%
3	4	288.26	326.84	13.4%
3	5	347.62	395.35	13.7%
3	6	406.95	463.87	14.0%

Food Waste bin collection:

<u>Bin Size</u>	<u>Times per Week</u>			
1.5	1	117.12	124.64	6.4%
1.5	2	196.86	210.51	6.9%
1.5	3	269.46	289.11	7.3%
1.5	4	337.35	362.76	7.5%
1.5	5	405.29	436.45	7.7%
1.5	6	473.22	510.12	7.8%
2	1	148.48	158.25	6.6%
2	2	242.91	260.32	7.2%
2	3	333.02	358.20	7.6%
2	4	417.61	450.20	7.8%
2	5	502.22	542.21	8.0%
2	6	586.82	634.24	8.1%
Barrel				
65g	1	41.49	43.41	4.6%
65g	2	67.33	70.67	5.0%
65g	3	97.71	102.64	5.0%
65g	4	125.82	132.25	5.1%
65g	5	153.96	161.89	5.2%
65g	6	182.08	191.52	5.2%

Green waste bin collection:

<u>Bin Size</u>	<u>Times per Week</u>			
1.5	1	77.20	79.68	3.2%
2	1	108.00	111.49	3.2%
2	2	215.96	222.94	3.2%
3	1	149.79	154.56	3.2%
3	2	241.27	248.69	3.1%
3	3	351.92	362.69	3.1%
3	4	452.92	466.68	3.0%
3	5	553.92	570.68	3.0%
3	6	655.01	674.78	3.0%

Split Bin:

<u>Bin Size</u>	<u>Times per Week</u>			
3	1	196.86	207.12	5.2%
3	2	295.40	312.34	5.7%
3	3	429.46	454.39	5.8%
3	4	545.59	577.85	5.9%
3	5	661.69	701.28	6.0%
3	6	777.91	824.84	6.0%

Bin push rates:

<u>Distance</u>	<u>Times</u> <u>per Week</u>			
0'-25'	1	0.00	0.00	0.0%
0'-25'	2	0.00	0.00	0.0%
0'-25'	3	0.00	0.00	0.0%
26'-50'	1	6.24	6.48	3.8%
26'-50'	2	12.46	12.95	3.9%
26'-50'	3	18.72	19.45	3.9%
51'-75'	1	9.35	9.71	3.9%
51'-75'	2	18.72	19.45	3.9%
51'-75'	3	28.05	29.14	3.9%
76'-100'	1	12.46	12.95	3.9%
76'-100'	2	24.94	25.91	3.9%
76'-100'	3	34.78	36.14	3.9%
101'-125'	1	15.59	16.20	3.9%
101'-125'	2	31.18	32.40	3.9%
101'-125'	3	46.78	48.60	3.9%
126'-150'	1	18.72	19.45	3.9%
126'-150'	2	37.42	38.88	3.9%
126'-150'	3	56.13	58.32	3.9%
151'-175'	1	21.83	22.68	3.9%
151'-175'	2	43.65	45.35	3.9%
151'-175'	3	65.48	68.03	3.9%
176'-200'	1	24.94	25.91	3.9%
176'-200'	2	50.14	52.10	3.9%
176'-200'	3	74.83	77.75	3.9%
200'+	1 (per foot)	0.13	0.14	7.7%
200'+	2 (per foot)	0.25	0.26	4.0%
200'+	3 (per foot)	0.38	0.39	2.6%

Refuse rolloff containers:

<u>Size</u>	<u>Tonnage</u>			
20	5	501.26	515.31	2.8%
30	5	501.26	515.31	2.8%
40	5	501.26	515.31	2.8%
Compactor	5	562.04	578.33	2.9%

Recycling rolloff containers:

<u>Size</u>	<u>Tonnage</u>			
40	0	222.55	230.72	3.7%
Compactor	0	283.33	293.74	3.7%

Green waste rolloff containers:

<u>Size</u>	<u>Tonnage</u>			
40	5	494.06	507.79	2.8%

Clean Inert containers:

<u>Size</u>	<u>Tonnage</u>			
10	10	410.00	242.08	n/a
20/40	10	410.00	242.08	n/a

Construction & Demolition containers

<u>Size</u>	<u>Tonnage</u>			
10/40	5	624.27	633.15	1.4%

Extra Bin Services:

Extra refuse bin collection/service	45.37	47.14	3.9%
Lock installed	5.01	5.21	4.0%
Lock removed - damaged by customer	27.58	28.66	3.9%
Recycling contamination (1 grace per year)	45.37	47.14	3.9%
Steam Clean	99.93	103.83	3.9%
Tilthopper	39.42	40.96	3.9%
Food Waste Contamination (1 grace per year)	49.79	51.73	3.9%

Temporary Bin Services:

3 Cubic Yd (7 day use)	137.37	142.73	3.9%
Dump & Return	137.37	142.73	3.9%
Permanent Boxes - Weekly Rent Fee	159.75	165.98	3.9%
Temporary Boxes - Daily Rent Fee	22.82	23.71	3.9%
Commercial Street Sweeping Service Alternate Day/Side	3.41	3.54	N/A

CITY OF DUARTE
Burrtec Waste Services, LLC
Rolloff Rate Analysis
Effective January 1, 2019

Refuse

Size	Maximum Tonnage	Current Rate 1/1/18						CPI 3.90%	Proposed Rate 1/1/19				
		Service Rate	Fuel 2.54%	Disposal \$ 47.38	Franchise Fee 15.00%	Total Rate	Service Rate		Fuel 1.65%	Disposal \$ 48.38	Franchise Fee 15.00%	Total Rate	
20 yard	5	170.09	19.08	236.90	75.19	\$ 501.26	6.63	176.72	19.39	241.90	77.30	\$ 515.31	
30 yard	5	170.09	19.08	236.90	75.19	\$ 501.26	6.63	176.72	19.39	241.90	77.30	\$ 515.31	
40 yard	5	170.09	19.08	236.90	75.19	\$ 501.26	6.63	176.72	19.39	241.90	77.30	\$ 515.31	
Compactor	5	216.54	24.29	236.90	84.31	\$ 562.04	8.45	224.99	24.69	241.90	86.75	\$ 578.33	

Greenwaste

Size	Maximum Tonnage	Current Rate 1/1/18						CPI 3.90%	Proposed Rate 1/1/19				
		Service Rate	Fuel 2.54%	Disposal \$44.29	Franchise Fee 15.00%	Total Rate	Service Rate		Fuel 1.65%	Disposal \$45.17	Franchise Fee 15.00%	Total Rate	
40 yard	5	177.45	21.05	221.45	74.11	\$ 494.06	6.92	184.37	21.40	225.85	76.17	\$ 507.79	

Recycling

Size	Maximum Tonnage	Current Rate 1/1/18						CPI 3.90%	Proposed Rate 1/1/19				
		Service Rate	Fuel 2.54%	Disposal \$ -	Franchise Fee 15.00%	Total Rate	Service Rate		Fuel 1.65%	Disposal \$ -	Franchise Fee 15.00%	Total Rate	
40 yard	5	170.09	19.08	Actual	33.38	\$ 222.55	6.63	176.72	19.39	Actual	34.61	\$ 230.72	
Compactor	5	216.54	24.29	Actual	42.50	\$ 283.33	8.45	224.99	24.69	Actual	44.06	\$ 293.74	

Inerts

plus disposal

Size	Maximum Tonnage	Current Rate 1/1/18					CPI 3.90%	Proposed Rate 1/1/19				
		Service Rate	Fuel 2.54%	Disposal \$ 15.00	Franchise Fee 15.00%	Total Rate		Service Rate	Fuel 1.65%	Disposal \$ -	Franchise Fee 15.00%	Total Rate
10 yard	10	177.45	21.05	150.00	61.50	\$ 410.00	6.92	184.37	21.40	Actual	36.31	\$ 242.08
20/40 yard	10	177.45	21.05	150.00	61.50	\$ 410.00	6.92	184.37	21.40	Actual	36.31	\$ 242.08

Mixed C&D

Size	Maximum Tonnage	Current Rate 1/1/18						CPI 3.90%	Proposed Rate 1/1/19				
		Service Rate	Fuel 2.54%	Disposal \$ 65.00	Franchise Fee 15.00%	Total Rate	Service Rate		Fuel 1.65%	Disposal \$ 65.00	Franchise Fee 15.00%	Total Rate	
20/40 yard	5	184.58	21.05	325.00	93.64	\$ 624.27	7.20	191.78	21.40	325.00	94.97	\$ 633.15	

**AMENDMENT NO. 10 TO AGREEMENT BETWEEN
THE CITY OF DUARTE AND BURRTEC WASTE SERVICES, LLC**

This **Amendment No. 10 To the Agreement Between the City Of Duarte And Burrtec Waste Services LLC For Municipal Solid Waste, Recyclables, And Green Waste Collection, Transportation, Disposal, Composting, And Processing** ("Amendment No. 10) is made and entered into as of _____ ("Effective Date"), by and between the **CITY OF DUARTE**, a municipal corporation ("City"), and **BURRTEC WASTE SERVICES, LLC**, a California limited liability company ("Contractor"). City and Contractor are sometimes referred to herein individually as a "Party" and collective as the "Parties."

RECITALS:

A. City and Contractor entered into that certain agreement titled "Agreement Between the City of Duarte and Burrtec Waste Service *[sic]*, LLC for Municipal Solid Waste, Recyclables, and Green Waste Collection, Transportation, Disposal, Composting, and Processing dated on or about September 18, 1996, also referred to as "Agreement Between The City of Duarte And Burrtec Waste Services*[sic]*, LLC For Solid Waste Collection, Processing and Disposal Services, September 18, 1996 (the "Original Agreement"), as amended by that certain Amendment No. 1 thereto dated on or about March 8, 2004 ("Amendment No. 1"), by that certain Amendment No. 2 thereto dated on or about November 13, 2007 ("Amendment No. 2"), by that certain Amendment No. 3 thereto dated on or about February 24, 2009 ("Amendment No. 3"), by that certain Amendment No. 4 thereto dated on or about June 22, 2010 ("Amendment No. 4"), and by that certain Amendment No. 5 thereto dated on or about December 10, 2013 ("Amendment No. 5") and by that certain Amendment No. 6 dated on or about December 15, 2014 ("Amendment No. 6") by that certain Amendment No. 7 dated on or about December 23, 2015 ("Amendment No. 7") by that certain Amendment No. 8 dated on or about December 13, 2016 ("Amendment No. 8") and by certain Amendment No. 9 dated on or about December 12, 2017. The Original Agreement as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6, Amendment No. 7, Amendment No. 8 and Amendment No. 9 is hereinafter referred to collectively as the Agreement."

B. City and Contractor desire to enter into this Amendment No. 10 to, among other things, amend, extend and restate the Term of the Agreement, alter the dates of the Annual Performance Review, and add certain services to the list of services to be provided by Contractor.

C. Except as otherwise set forth in this Amendment No. 10, the defined terms used herein shall have the same meanings as used in the Agreement.

AMENDMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants and promises hereinafter contained, and for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties hereto agree as follows:

1. **RECITALS INCORPORATED.** The foregoing Recitals are true and correct and are incorporated herein and made a part hereof.
2. **AMENDMENTS.** The Agreement is amended as follows:
 - A. **Section 3.01 (Term) of the Agreement is hereby amended in its entirety to read as follows:**

3.01 Term. Pursuant to operation of the automatic extension provision of **Amendment No. 9, section 3.01(d)**, the Term of this Agreement shall expire effective December 31, 2028, subject to subsection (c) below

(c) The Agreement Term may be extended one (1) additional year each year from and after December 31, 2019, so as to continually maintain a ten (10) year period as the remaining Term of the Agreement. Such extension may be granted by City with or without cause, pursuant to the following Annual Performance Review procedures and schedule:

 - (1) Commencing during calendar year 2018 and each calendar year thereafter until this Agreement expires, Contractor shall submit to City, prior to October 1 of each year, the documentation reasonably required for the City to perform the Annual Performance Review.
 - (2) City shall conduct the Annual Performance Review on or after October 1 but prior to December 15 of each year. Upon completion of the Annual Performance Review, the City shall determine, not later than December 15 whether to approve a one-year addition to the end of the Term of this Agreement. If the one year renewal is approved, a ten (10) year remaining term to the Agreement would be maintained. If the City timely determines to not approve the one year renewal to the Agreement, the Agreement shall expire as of the December 31 of the tenth full calendar year following such determination.
3. **NO OTHER AMENDMENT.** Except as set forth in this Amendment No. 10, the Agreement shall remain in full force and effect according to its terms.
4. **COUNTERPARTS.** This Amendment No. 10 may be executed in counterparts, each of which, when this Amendment No. 10 has been signed by both of the Parties, shall constitute one and the same instrument.
5. **EFFECTIVE DATE.** The Effective Date of this Amendment No. shall be the latest of the dates set next to the signatures of the Parties, which latest date shall be inserted into the Preamble to this Amendment No. 10.

[end—signature page follows]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment No. 10 as of the Effective Date.

“CITY”

CITY OF DUARTE

Date: _____

By: _____
Mayor

ATTEST:

Marla Akana, City Clerk

APPROVED AS TO FORM:
Rutan & Tucker, LLP

David Cosgrove, City Attorney

“CONTRACTOR”

BURRTEC WASTE SERVICES, LLC

Date: _____

By: _____

Printed Name: _____

Its: _____



BURRTEC
WASTE SERVICES, LLC
"We'll Take Care Of It"



City of Duarte

2017 Annual Performance Review



"We'll Take Care of It"

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SECTION 1 – EXECUTIVE SUMMARY

A. Executive Summary

Background

The City of Duarte (City) and Burrtec Waste Services, LLC (Burrtec) entered into an agreement for Municipal Solid Waste, Recyclables, and Green Waste Collection, Disposal and Processing in September 1996. The agreement grants Burrtec the exclusive right to collect refuse, recyclables, and green waste from all single-family, multi-family, and commercial customers in the City.

In February 2009, the City and Burrtec amended the agreement to include provisions for an annual performance review, an extended and restated term, and added certain service programs. The performance review is to be submitted by Burrtec with the formal review conducted between August 1 and September 30 of each year. Under the terms of the agreement, Burrtec is required to provide certain services and meet certain performance criteria. These performance criteria include:

- Remitting franchise and AB 939 Fees to the City
- Providing no charge services to City facilities
- Provide residential curbside Christmas tree collections
- Provide roll-out services to handicapped and frail
- Offering a senior citizen discount rate
- Providing a high level of quality customer service
- Maintaining required permits and licenses
- Meeting specified insurance and bond requirements
- Submitting certain materials collection reports
- Conducting public education and outreach activities
- Providing safety records and proper vehicle maintenance
- Offering certain required service programs

The scope of the performance review may include items such as an audit of payment records to the City, review of customer service levels and billing, a review of customer calls and service requests, and a review of Burrtec's compliance with the terms of the Agreement. This review encompasses Burrtec's performance from January 1, 2017, through December 31, 2017.

B. Audit Results

Overall, Burrtec's performance was found to be compliant with its contractual requirements.

The audit results further identified that Burrtec continues to provide excellent customer service. The responsiveness to customer and City concerns is quick and thorough. All programs have been implemented and Burrtec's community involvement continues to highlight its commitment to the City of Duarte and its residents.

SECTION 2 – PERFORMANCE REVIEW ELEMENTS

A. Payment of Fees to the City

1. Franchise Fees

Background

Section 10.03 of Agreement Amendment No. 4 states the City Impact Fee shall be as follows:

1. 15% of gross annual revenues received from commercial customers and all commercial services
2. 12% of gross annual revenues received from residential customers and all residential services

Findings

Burrtec pays franchise fees quarterly to the City. The following summarizes the amounts paid in 2017. Copies of the submitted Franchise Fee Worksheets were reviewed and are included in the appendix section.

Quarter	Gross Receipts	Franchise Fees	Date
1 st	\$763,324.55	\$104,679.05	03/31/17
2 nd	\$755,263.45	\$105,146.41	06/30/17
3 rd	\$741,349.80	\$102,237.23	09/30/17
4 th	\$785,993.64	\$108,417.15	12/31/17
Total	\$3,045,931.44	\$420,479.84	

2. AB 939 Fees

Background

Section 5.12 of the Agreement states Burrtec shall make an annual payment to the City for AB 939 administration. The amount at the execution of the agreement was \$40,000, which is subject to annual CPI adjustments.

Findings

In December 2017, Burrtec paid the City \$65,073.62 for the annual AB 939 fees.

3. Contractor Payment to the City

Background

Section 10.09 of Agreement Amendment No. 6 states payments to the City for items listed in Section 10.03 are calculated on a quarterly basis, and submitted on the thirtieth (30th) day of the month following the prior quarter ending date.

Findings

Fees are being remitted timely.

B. No Charge City Services

Background

Section 4.01c(4) of the Agreement states contractor shall collect refuse, recyclables and green waste from City facilities at no charge.

Findings

Burrtec currently provides trash, recycling and green waste collection to several city facilities as summarized below. Burrtec also provides services to special City events as requested. The regular services provided are summarized below.

Site	Address	Commodity	Bin Size	P/U Days
City Yard	1101 Oak	Trash	3 yard	M
Duarte Park	1350 Brycedale	Trash	3 yard	M-W-F-S
Teen Center	1400 Buena Vista	Trash Recycling	3 yard 3 yard	W F
City Hall	1600 Huntington	Trash Recycling	2 yard 1.5 yard	M-Tu-W-Th-F Tu-F
Senior Center	1610 Huntington	Trash	2 yard	M-W-F
City Yard	1850 Highland	Trash Recycling Green Waste	3 yard 3 yard 3 yard	Tu-F Tu-F M-Th

The following table summarizes the special City events Burrtec participated in 2017.

Date	Description
01/10/17	Burrtec participated in Duarte's River Clean-up Event
01/11/17	Burrtec participated in Duarte's River Clean-up Event
01/17/17	Burrtec participated in Duarte's River Clean-up Event
06/02/17	Burrtec participated in Duarte's Movie Night @ Beardslee School
06/30/17	Burrtec participated in Duarte's Movie Night @ Maxwell School
09/23/17	Burrtec participated in Duarte's Route 66 Parade & City Picnic

C. Services

1. Christmas Tree Collection and Recycling Program

Background

Section 4.01c(3) of the Agreement requires the annual collection of Christmas Trees from December 26th through January 12th. Contractor shall notify customers by mail of the collection dates. Collected trees shall be delivered to a green waste or composting facility for diversion.

Findings

Residential customers were notified (in English and Spanish) of the curbside Christmas tree collection via the quarterly newsletter (copy included in the appendix section).

Burrtec collected and recycled 17.94 tons of Christmas Trees. Additional Christmas tree tonnages were collected and disposed with regular green waste materials.

2. Aid to Handicapped and Frail

Background

Section 4.01c(5) of the Agreement requires the Contractor to provide no cost push out services and/or backyard collection to qualified senior and handicapped residents.

Findings

Burrtec provides no charge barrel roll-out services to 21 senior/handicapped residents.

3. Senior Citizen Rate

Background

Section 4.01c(5) of the Agreement requires the Contractor to provide reduced rates for qualified senior and handicapped residents.

Findings

Burrtec offers qualified senior (62 years of age and head of household) and handicapped residents a 40-gal trash, 60-gal recycling and 60-gal green waste barrel at a rate of \$16.72 per month. Burrtec currently has 107 customers utilizing this service level.

4. Respond to Service Complaints and Complaint Report

Background

Section 4.04b of the Agreement requires Burrtec to log all complaints, including date, time, complainant's name and address and nature and date of resolution of complaint. Calls received via the answering machine shall be logged the next business day. Customer will be contacted the next business day and will make four attempts (three calls within a 24-hour period and if unable to reach the customer a postcard will be sent).

Findings

Reported service complaints and misses are responded to and addressed by the Route Supervisor and Division Manager as appropriate. Supervisory staff will personally visit customer's onsite for specific issues. On an annual basis Burrtec provides service to approximately 727,000 barrels (4,507 barrel customers), over 49,920 bins (270 bin customers) and on-call services to a monthly average of 29 roll-off customers. During 2017, Burrtec received 297 calls relating to missed services.

Complaints are recorded in accordance with the contract requirements. The call logs are provided to the City with the Quarterly report and summarized in the annual report. Summaries of the calls received are as follows:

Call Type	Commercial Calls	Residential Calls	Street Sweeping Calls
Compliments	0	0	0
Complaints	0	0	11
Damages	0	0	0
Misses	67	230	0
Total	67	230	11

5. Respond to Complaint Regarding Graffiti or Disrepair

Background

Exhibit 3.01d(1) of the Agreement requires bins or containers be replaced for a variety of reasons including: defective or damaged components, graffiti, odor or unit is missing altogether.

Findings

During 2017, 78 bins and 1,788 barrels were exchanged for various issues.

6. Office Hours

Background

Section 4.04c of Agreement Amendment No. 6 states office hours shall maintain an office open at a minimum from 8:00 a.m. to 5:00 p.m., daily, and on Saturdays following recognized holidays. Office must be staffed by Contractor during normal business hours. Customer call messages left on the after hours messaging system will be returned the following business day.

Findings

Office is staffed with customer service representatives from 8:00 a.m. to 5:00 p.m. daily and on Saturday's following a recognized holiday. Customer messages left in the after hours messaging system are returned the next business day.

7. Bulky Items

Background

Section 4.01c(1)(ii) of the Agreement provides for bulky waste collection at the curbside or alley way on demand from residential customers two (2) times per calendar year to each residential customer in the City.

Findings

During 2017 there were 1,568 requests totaling 146.70 tons for bulky or e-waste collections in the City of Duarte. Items include: tables, chairs, dressers, strollers, toilets, barbecues, vacuum cleaners, and electronic waste. The calls and tonnage collected are summarized below:

Bulky Items/E-Waste Collection Requests - 2017

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
330	448	410	380	1,568

Bulky Item Tonnage Collected - 2017

Refuse	Tin / White	E-Waste	Sharps	Metal	Tires
117.45	14.65	6.12	0.00	8.42	0.06

8. Community Clean-Ups/E-Waste

Background

Section 4.01c(1)(ii) of the Agreement provides for semi-annual clean-ups city-wide for collection of bulky items at designated locations.

Findings

Burrtec provided community clean-ups on April 8th and September 30th. In addition to the community clean-ups, Burrtec also provided 8 three cubic yard bins in support of a neighborhood clean-up at various addresses.

Burrtec also assisted with a Homeless Encampment Clean-up in the San Gabriel River on January 10th, 11th and 17th of 2017.

9. Sharps and Used Oil Collection

Background

Exhibit 3.01a of Agreement Amendment No. 3 includes Household Sharps Collection (item 11) and Used Oil Collection Program (item 12).

Findings

Sharps – Burrtec provides Sharps quart-sized collection containers at no charge to residents. During 2017 approximately 59 pounds of sharps were collected from residential customers and distributed containers to six customers.

Used Oil – Burrtec informed customers of the used oil/oil filter collection program in the January newsletter (copy included in the appendix section). During 2017 Burrtec delivered 1 container.

10. Construction and Demolition Roll-Off Processing

Background

Exhibit 3.01a of Agreement Amendment No. 3 includes C&D Processing (item 15).

Findings

A mixed C&D roll-off collection and processing program has been developed to allow demolition and building contractors a convenient means of diverting recyclable materials that complies with the 65% diversion requirement. C&D materials are delivered to fully permitted facilities that specialize in recycling construction and demolition materials.

11. Street Sweeping

Background

Exhibit 3.01a of Agreement Amendment No 4 is amended by adding Paragraph 16, "Removal of Debris from City Streets (item 16)

Findings

In 2017 the City selected a street sweeping program to include parking restrictions during street sweeping days. The alternate side-alternate day schedule was selected as the most practical program to provide flexible parking and clear access for the street sweeper.

D. Licenses

1. Business License

Background

Section 10.2 of the Agreement states the Contractor shall obtain a City Business License to operate in the City.

Findings

Per Municipal Code Section 5.04.130, franchise holders are exempt from the business license requirement given that Burrtec pays monthly franchise fees.

2. County Hauler Permit

Background

Section 5.03 of the Agreement requires the Contractor to maintain through the term all necessary permits/licenses.

Findings

Burrtec's current permit with the County of Los Angeles expires December 31, 2018 and is renewed annually.

E. Insurance/Bonds

1. Performance Bond

Background

Section 8.03 and Exhibit 6.02 require a performance bond in an amount equal to 8.5% of the gross annual revenue with the initial bond being for \$150,000.

Findings

Based on the 2017 gross receipts of \$3,045,931, Burrtec provided a bond in the amount of \$259,000. A copy of the current performance bond is in the appendix section.

2. Worker's Compensation Insurance

Background

Section 8.01 and Exhibit 6.01 require Worker's Compensation Insurance limits of \$2,000,000 per accident; \$2,000,000 per disease (policy limit) and \$2,000,000 per disease (each employee).

Findings

Burrtec provides workers' compensation coverage at statutory limits. Employers liability is covered with limits of \$2,000,000 per accident; \$2,000,000 per disease (policy limit) and \$2,000,000 per disease (each employee). The \$2,000,000 limits are met with a combination of the workers' compensation and excess policies. A copy of the insurance certificate is in the appendix section.

3. General Liability Insurance

Background

Section 8.01 and Exhibit 6.01 require General Liability Insurance limits of:

- \$1,000,000 Aggregate
- \$1,000,000 Products and Complete Operations
- \$1,000,000 Occurrence
- \$1,000,000 Fire/Occurrence
- \$5,000 Medical EA Deductible
- \$1,000,000 Personal and ADV Injury
- \$1,000,000 Employee Benefits Liability
- \$5,000 BI and PD each Occurrence Deductible

Findings

Burrtec meets or exceeds these requirements with the exception of the \$5,000 medical EA deductible. Burrtec's deductible is higher than the \$5,000 therefore this coverage is excluded. A copy of the insurance certificate is in the appendix section.

4. Excess Liability Insurance

Background

Section 8.01 and Exhibit 6.01 of Agreement Amendment No. 6 require Excess Liability for Commercial Auto and Employer's Insurance limits of:

- \$2 Million/Occurrence; \$10,000 Self-insured Retention
- Automobile (same)
- \$1 Million CSL BE & PD/Occurrence
- \$5,000 Deductible
- \$5,000 MP- Passenger
- \$1 Million Uninsured Motorists - Passenger
- \$1 Million Non-owned/Hired
- \$1,000 Comp – Passenger Vehicles – Deductible
- N/C – Collision Deductible
- \$1,000 Sp. Perils- Passenger Vehicles - Deductible

Workers Compensation / Employer's Liability

- \$2 Million/Accident
- \$2 Million/Disease-Policy Limit
- \$2 Million/Disease-Each Employee

Findings

Burrtec meets and exceeds these requirements. A copy of our insurance certificate is in the appendix section.

F. Monthly Waste Generation Reports

Background

No specific monthly tonnage report is required however, Burrtec does provide the information. This information is used to submit annual waste generation and diversion reports to the State of California and to determine compliance with state waste reduction and diversion mandates.

Findings

Waste Generation and Diversion Reports are submitted to the City on a monthly basis. A copy of the December 2017 waste generation and diversion report is included in the appendix section.

G. Outreach

1. Public Education

Background

Section 4.05 and Exhibit 3.05 of the Agreement states Contractor shall implement its Public Education Plan to include quarterly distribution of materials as well as public awareness and education.

Findings

During 2017 Burrtec produced and participated in a number of events promoting recycling and program information as summarized below:

<u>Date</u>	<u>Description</u>
01/17	January Residential Newsletter
01/10/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.21 tons
01/11/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.29 tons.
01/17/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.55 tons.
03/17	March Commercial Newsletter
03/17	March Street Sweeping Mailer
04/17	April Residential Newsletter
06/02/17	Burrtec participated in Duarte's Movie Night at Beardslee School. From the staffed booth recycling information, pens, pencils, note pads, rulers and flyers promoting our services were distributed. Donated 20 cardboard boxes and 2 rolls of liners.
06/08/17	MCR / MORE Compliance mailer
06/30/17	Burrtec participated in Duarte's Movie Night at Maxwell School. From the staffed booth recycling information, pens, pencils, note pads, rulers and flyers promoting our services were distributed.

<u>Date</u>	<u>Description</u>
07/17	July Residential Newsletter
09/23/17	Participant in the Route 66 Parade and City Picnic. Staffed booth, distributed recycling info, pens, pencils, note pads, rulers and flyers promoting our services.
10/17	October Commercial and Residential Newsletters

Copies of outreach materials are included in the appendix section.

2. Community Involvement

Background

Section 4.05 and Exhibit 3.05 of the Agreement states the Contractor shall implement its Public Education Plan to include public awareness and education campaigns targeting Chamber of Commerce, service clubs, youth group, community activity sponsorships and service contributions, youth sports program sponsorships and school district youth club sponsorships and incentives.

Findings

During 2017 Burrtec participated in a number of events promoting recycling, summarized below:

<u>Date</u>	<u>Description</u>
01/10/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.21 tons
01/11/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.29 tons.
01/17/17	Burrtec participated in Duarte's River Clean-up Event; Collected a total of 2.55 tons.
04/08/17	Burrtec conducted a Spring Clean-up Event and Compost giveaway with a drop-off location at Duarte's City Hall. Total tons collected: 55.27
06/02/17	Burrtec participated in Duarte's Movie Night at Beardslee School. From the staffed booth recycling information, pens, pencils, note pads, rulers and flyers promoting our services were distributed. Donated 20 cardboard boxes and 2 rolls of liners.
06/30/17	Burrtec participated in Duarte's Movie Night at Maxwell School. From the staffed booth recycling information, pens, pencils, note pads, rulers and flyers promoting our services were distributed.

<u>Date</u>	<u>Description</u>
09/23/17	Burrtec participated in the Route 66 Parade and City Picnic. Staffed booth, distributed recycling info, pens, pencils, note pads, rulers and flyers promoting our services.

H. Operations

1. Safety Record

Background

No specific safety record requirement is stated in the Agreement, however, Burrtec provided related information.

Findings

While not universal, a company's safety record is often a good indication of the overall effectiveness of its management and operations. During 2017, there were five incidents that resulted in 14 days away from work and zero days of modified duty (see OSHA Form 300A in the appendix section).

2. Vehicle Maintenance

Background

Section 4.01g(6) and Exhibit 30.1d(1) of Agreement Amendment No. 6 requires at all times maintain vehicles in good condition in accordance with the maintenance protocol contained in Exhibit 3.01d(2), so that they operate properly and safely. Contractor acknowledges that it is important to the City that Contractor present a professional and pleasing image. Therefore, Contractor shall wash all vehicles at least once each week and shall repaint all vehicles (including trim) as needed or at the City's request in order to maintain trucks in good condition.

Findings

Preventative maintenance on all equipment is conducted in routine intervals of 30, 60, and 90 days. Additionally, Burrtec's maintenance program focuses on safety of equipment, quality of repair, and expediency to return vehicle to service. Maintenance support vehicles are utilized to service inoperable vehicles in the field immediately upon notification from the driver. While response times are immediate, repair and/or replacement times are dependent upon the nature of the problem. Burrtec equips all of its fleets with spare equipment for immediate deployment when a quick repair cannot be made to a front line vehicle.

Vehicles are repainted as needed or at the City's request in order to maintain trucks in good condition. A copy of the most recent CHP inspection is included.

3. Container Maintenance

Background

Section 4.01g(6) and Exhibit 30.1d(1) of Agreement Amendment No. 6 requires that all automated containers will be repaired and/or replaced on request. The request may be generated from the route driver, the customer, or City staff and the container will be delivered on the next service day or within 24 hours if necessary to meet the customer's request. The defective or missing container will be exchanged for a new or reconditioned container.

Bins will be exchanged on an as-needed basis. An exchange request may be generated from the route driver or the customer. Bins will be exchanged on the next service day or within 24 hours of the received request if necessary to meet the customer's request. Bins and containers are exchanged or replaced for a variety of reasons including: defective or damaged components, graffiti, odor, or the unit is missing all together.

All automated containers and residential bins will be maintained at the local facilities yard. Maintenance procedures include: Steam cleaning, component replacement, welding, lubrication, painting and signage.

Findings

Container maintenance and exchanges are consistent with the requirement. In 2017 Burrtec exchanged 78 bin and 1,788 barrel containers.

I. Vehicles

1. Alternative Fuel

Background

Agreement Amendment No. 3 added a provision to replace the routed trash and recycling collection trucks servicing the City to alternative fuel by December 31, 2011.

Findings

Burrtec replaced the routed trash and recycling collection trucks by December 2011 with alternative fuel vehicles as summarized below:

Unit #	Year	Type	VIN	Fuel
1936	2016	Front End Loader	5VCACLE6GH220343	CNG
1471	2009	Front End Loader	5VCDC6LEX9H209041	CNG
1508	2009	Automated	3BPZL20XXAF107910	CNG
1636	2010	Automated	3BPZL20XXAF110080	CNG
1639	2010	Automated	3BPZL20X5AF110083	CNG
1642	2010	Automated	3BPZL20X0AF110086	CNG

2. Noise Testing

Background

Section 4.01g(1)(i) of Agreement Amendment No. 6 indicates noise levels generated by vehicles using compaction mechanisms during the stationary compaction process shall not exceed seventy-five decibels at a distance of twenty-five feet from the collection vehicle measured at an elevation of five feet above ground level using the "A" scale of a standard sound level meter at slow response, or Applicable Law, whichever is more stringent. Contractor shall cause the collection vehicles to be tested upon City request by an independent testing authority and shall submit a certificate of testing showing that the vehicles meet the requirements of this Section.

Findings

Vehicles shall be tested upon City request by an independent testing authority and they shall submit a certificate of testing showing that the vehicles meet the requirements.

J. Mandatory Commercial and Multi-Family Recycling

1. AB 341 Compliance

Background

California Assembly Bill 341 mandates businesses and public entities, generating four cubic yards of solid waste or more and multi-family residential dwellings with five or more units, to establish and maintain recycling services. The law went into effect July 1, 2012. There is no specific Agreement language on AB 341 compliance, however, Burrtec has promoted its existing commercial and multi-family recycling programs as a compliance measure.

Findings

With the implementation of AB 341, Burrtec prepared and mailed newsletters to all customer and multi-family customers on recycling programs and AB 341 requirements in March and October 2016 (copies included in the appendix section).

The following table summarizes the AB 341 status as of December 2017.

Service	December 2017	
	Commercial (4 yd or more)	Multi-Family (5+ units)
With Recycling	69*	63*
Without Recycling	35	21

*Note: total includes self-haul accounts

2. Commercial Recycling Barrels

Background

Amendment 3 to the Agreement revised Exhibit 3.01 to include Commercial Recycling Barrels (Item 13).

Findings

With the implementation of AB 341 and in an effort to address low volume generators, Burrtec added 65 and 90 gallon recycling barrels as options for commercial and multi-family customers.

3. Outreach

Background

There is no specific Agreement language on AB 341 outreach/compliance.

Findings

With the implementation of AB 341, Burrtec prepared and mailed newsletters to all customer and multi-family customers on recycling during the months of March and October. In addition, Burrtec conducted 211 waste assessments during 2017. A copy of the outreach material and the non compliance mailing is included in the appendix section.

K. Mandatory Commercial Organics AB 1826

Background

This landmark bill requires commercial recycling of organic waste starting in 2016 for businesses generating eight cubic yards or more of organic waste. The recycling requirement will phase in from 2016 to 2020 depending on volume of organic waste generated weekly by a business. The legislation also requires that each local jurisdiction develop an organic waste recycling program for food waste and green waste.

This bill decreases the threshold amount of organic waste under which a business would be subject to those requirements from 8 cubic yards or more to 4 cubic yards or more on January 1, 2017. It also requires a business that generates 4 cubic yards or more of commercial solid waste per week, on and after January 1, 2019, to arrange for organic waste recycling services. Certain multi-family locations at the thresholds are required to recycle green waste only, not food waste.

Findings

In Spring 2016, Burrtec developed and presented to the City a food waste collection and processing program that was approved by the City and effective July 1, 2017. Elements

included outreach and training materials, training video, processing outlets, and equipment preparation. With this program, the City can move toward Organics Recycling compliance.

The following table summarizes the AB 1826 status as of December 2017.

Service	December 2017	
	Commercial (4 yd or more)	Multi-Family (5+ units)
With Recycling	12*	2*
Without Recycling	24	51

*Note: total includes self-haul accounts

APPENDIX

FRANCHISE FEE WORKSHEETS

Burrtec Waste Services LLC
City of Duarte
Franchise Fee Worksheet

For the quarter end 3/31/2017

Cash Receipts	Commercial (DC)+(DD)+(DM)+(BH) (DO)	Rolloff (OH)+(DT)	Residential (DR)	Total
January-17	\$ 109,650.87	\$ 30,827.19	\$ 228,284.98	\$ 368,763.04
February-17	\$ 139,456.22	\$ 19,757.69	\$ 58,186.68	\$ 217,400.59
March-17	\$ 106,865.96	\$ 29,445.31	\$ 40,849.65	\$ 177,160.92
Total	\$ 355,973.05	\$ 80,030.19	\$ 327,321.31	\$ 763,324.55
Franchise Fee %	15.00%	15.00%	12.00%	
Franchise Fee	\$ 53,395.96	\$ 12,004.53	\$ 39,278.56	\$ 104,679.05

Burrtec Waste Services LLC
City of Duarte
Franchise Fee Worksheet

For the quarter end 6/30/2017

Cash Receipts	Commercial (DC)+(DD)+(DM)+(BH) (DO)	Rolloff (OH)+(DT)	Residential (DR)	Total
April-17	\$ 119,794.45	\$ 22,016.08	\$ 236,813.92	\$ 378,624.45
May-17	\$ 109,867.10	\$ 24,846.30	\$ 35,933.25	\$ 170,646.65
June-17	\$ 130,010.63	\$ 43,958.70	\$ 32,023.02	\$ 205,992.35
Total	\$ 359,672.18	\$ 90,821.08	\$ 304,770.19	\$ 755,263.45
Franchise Fee %	15.00%	15.00%	12.00%	
Franchise Fee	\$ 53,950.83	\$ 13,623.16	\$ 36,572.42	\$ 104,146.41

Burrtec Waste Services LLC
City of Duarte
Franchise Fee Worksheet

For the quarter end 9/30/2017

Cash Receipts	Commercial (DC)+(DD)+(DM)+(BH) (DO)	Rolloff (OH)+(DT)	Residential (DR)	Total
July-17	\$ 110,188.55	\$ 23,881.47	\$ 241,781.52	\$ 375,851.54
August-17	\$ 122,403.99	\$ 34,782.88	\$ 29,856.11	\$ 187,042.98
September-17	\$ 117,517.25	\$ 33,734.32	\$ 27,203.71	\$ 178,455.28
Total	\$ 350,109.79	\$ 92,398.67	\$ 298,841.34	\$ 741,349.80
Franchise Fee %	15.00%	15.00%	12.00%	
Franchise Fee	\$ 52,516.47	\$ 13,859.80	\$ 35,860.96	\$ 102,237.23

Burrtec Waste Services LLC
City of Duarte
Franchise Fee Worksheet

For the quarter end 12/31/2017

Cash Receipts	Commercial (DC)+(DD)+(DM)+(BH) (DO)	Rolloff (OH)+(DT)	Residential (DR)	Total
October-17	\$ 117,483.29	\$ 47,050.32	\$ 240,552.42	\$ 405,086.03
November-17	\$ 118,534.52	\$ 29,317.63	\$ 34,484.61	\$ 182,336.76
December-17	\$ 128,132.07	\$ 29,412.72	\$ 41,026.06	\$ 198,570.85
Total	\$ 364,149.88	\$ 105,780.67	\$ 316,063.09	\$ 785,993.64
Franchise Fee %	15.00%	15.00%	12.00%	
Franchise Fee	\$ 54,622.48	\$ 15,867.10	\$ 37,927.57	\$ 108,417.15

OUTREACH AND EDUCATIONAL MATERIALS



January 2017



BURRTEC NEWS

Waste and Recycling Newsletter

Sponsored by the City of Duarte and Burrtec Waste Services

"We'll Take Care Of It"

Happy New Year!

Is your New Year's resolution to clean-out all of your junk? If so, Burrtec offers a 3-yard to 40-yard bin for all of your residential clean-up and special project needs. Contact our Customer Service Department to begin your New Year's Resolution!

Automated Bill Pay

For your convenience, you can make a payment any day, anytime, using our free automated payment service.

Have your account number, billing zip code and payment option (either check or credit card) available. Dial (866) 306-9004 and when prompted enter the requested information. It's that easy!



Paper Recycling

All grades and types of paper and cardboard can be placed in the recycling bin. But are all papers materials the same? Actually, they are not and here are some examples.

- Corrugated and cardboard boxes are made with high-grade fiber to give them strength.
- Milk cartons and drink boxes can be recycled.
- Newspaper goes through a "deinking" process and is turned back into pulp then be made into newsprint again.
- Copy paper and junk mail is most commonly recycled.

Contact Information

Burrtec Waste Services

(626) 932-1558

1017 West Gladstone Street
Azusa, CA 91702

Hours of Operation

Mon-Fri 8:00 am to 5:00 pm



Residential Christmas Tree Collection

Burrtec will collect and recycle Christmas trees from single-family residences. Please place your tree at curbside during the period after Christmas (December 26, 2016 through January 8, 2017) on your collection day. Trees 6' and over need to be cut in half. Please take all ornaments, lights, and metal stands off of the tree. Flocked trees will not be recycled, they will be collected as trash. Flocked trees 6' and over need to be cut in half.

Extra Holiday Trash and Recycling Collection

Approximately 80% of holiday trash is recyclable. All gift boxes, wrapping paper, greeting cards, and cardboard packaging are items that may be placed in the recycling barrel. Burrtec will collect excess holiday trash and recyclables beginning December 26, 2016 through January 2, 2017 from single-family residences. Place excess holiday trash/recyclables in bags alongside automated containers on collection day.



Free
Used Oil Recycling Kits
for Duarte Residents

Pick up a kit from Duarte City Hall, 7:30am to 6pm, Monday through Thursday. Or contact Burrtec at 800-325-9417, and a kit will be delivered to your residence. Recycling kits available while supplies last.

► *Used Oil Recycling Kit includes:*

9 quart drain container ■ filter collection bags ■ list of recycling options

**Recycle
Used Motor Oil & Used Filters**



► Deliver used motor oil and used filters to a certified collection center:

AutoZone 1346 E. Huntington Drive, Duarte, CA . . 626-357-0554
Goodyear Tires 1098 E. Huntington Drive, Duarte, CA . . 626-358-2591
Advantage Ford, service . . . 1031 E. Central Avenue, Duarte, CA . . 626-359-9689

► Or contact Burrtec at 800-325-9417 to schedule a curbside pickup.

Holiday Schedule

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- New Year's Day

When a holiday falls on a Monday, there will be no service delay. Should a holiday fall between Tuesday - Friday, service will be delayed by one day.

enero 2017



BURRTEC NEWS

Waste and Recycling Newsletter

Patrocinado por la Ciudad de Duarte y Burrtec Waste Services

"We'll Take Care Of It"

¡Feliz Año Nuevo!

¿Es su buen propósito del Año Nuevo limpiar todos sus cachibaches? Si es así, Burrtec ofrece un recipiente de 3 yardas a 40 yardas para todas sus necesidades residenciales de limpieza y de proyectos especiales. Póngase en contacto con nuestro Departamento de Servicio al Cliente para comenzar su ¡Buen Propósito del Año Nuevo!

Pago de Facturas Automatizado

Para su conveniencia, usted puede hacer un pago en cualquier día, en cualquier momento, utilizando nuestro servicio de pago automatizado gratis.

Tenga su número de cuenta, el código postal de facturación y opción de pago (ya sea cheque o tarjeta de crédito) disponible. Marque el (866) 306-9004 y cuando se le pide introduzca la información requerida. ¡Es así de fácil!



Reciclaje de Papel

Todos los grados y tipos de papel y cartón se pueden colocar en el contenedor de reciclaje. ¿Pero son igual todos los materiales de papel? En realidad, no lo son, y aquí están algunos ejemplos.

- Cajas de cartón corrugado y cartón están hechas con fibra de alto grado para darles fuerza.
- Cartones de leche y cajas de bebidas pueden ser reciclados.
- El periódico pasa por un proceso "de destintado" y es convertido de nuevo en pulpa, y luego es hecho de nuevo en papel de periódico.
- El papel de copia y correo basura es el que más comúnmente se recicla.

Información de Contacto

Burrtec Waste Services

(626) 932-1558

1017 West Gladstone Street
Azusa, CA 91702

Horas de oficina

Lunes-Viernes 8:00 am to 5:00 pm



Recolección Residencial de Árboles de Navidad

Burrtec recogerá sus árboles navideños desde el 26 de diciembre, 2016 hasta el 8 de enero, 2017. Simplemente coloque su arbolito en la acera junto a su contenedor el día regular de su recolección. Árboles más de 6 pies deben ser cortados por la mitad. Por favor quite todos los ornamentos y la base del árbol.

Basura y Reciclaje Adicional de los Días Festivos

Aproximadamente el 80% de la basura de los días festivos es reciclable. Todas las cajas de regalo, papel de envolver, tarjetas de navidad, y embalajes de cartón son artículos que pueden ser colocados en el barril de reciclaje. Burrtec recogerá el exceso de basura y reciclables de los días festivos a partir del 26 de diciembre 2016 a través del 02 de enero 2017. Coloque el exceso de basura/reciclables en bolsas junto a los contenedores automatizados en el día de recolección.



Gratis Estuches de Reciclaje para Aceite Usado para los Residentes de Duarte

Recoja un estuche del Ayuntamiento de Duarte, de 7:30am a 6pm, de lunes a jueves. O póngase en contacto con Burrtec al 800-325-9417, y un estuche será enviado a su residencia. Los estuches de reciclaje estarán disponibles hasta agotarse.

► *Estuche de Reciclaje para Aceite Usado incluye:*
un recipiente de drenaje de 9 cuartos ■ bolsas de recolección de filtros
lista de opciones de reciclaje

Recicle Aceite de Motor y Filtros Usados



► Entregar el aceite de motor y filtros usados a un centro certificado :

AutoZone. 1346 E. Huntington Drive, Duarte, CA. . . 626-357-0554
Goodyear Tires. 1098 E. Huntington Drive, Duarte, CA. . . 626-358-2591
Advantage Ford, service. . . 1031 E. Central Avenue, Duarte, CA. . . 626-359-9689

► O póngase en contacto con Burrtec al 800-325-9417 para programar una cita para recojer.

Horario Festivo

- Día conmemorativo
- Día de la Independencia
- Día laboral
- Día de la acción de gracias
- Día de la Navidad
- Día de Año Nuevo

Cuando un día de fiesta cae el lunes, no habrá retraso del servicio. Si un día de fiesta cae entre martes - viernes, servicio será retrasado por un día.



"We'll Take Care Of It"

Organics Recycling Requirements Update

Effective January 2017, the State's Mandatory Organic Waste Recycling law (AB 1826) requires businesses generating more than four cubic yards of organics per week and multifamily residential properties with five dwelling units or more that generate four cubic yards of green waste per week, must arrange organics recycling services. Burrtec offers a food waste and green waste program that assists in complying with the law. The law phases in the requirements on businesses and multifamily residential dwellings over time, based on the following dates by 2019. Additionally, the state law contains a trigger that will increase the scope of affected businesses, if waste reduction targets are not met. Please see schedule below:

<u>Year</u>	<u>Cubic Yards Generated Weekly</u>
2016	8 Cubic Yards (organic waste)
2017	4 Cubic Yards (organic waste)
2019	4 Cubic Yards (commercial solid waste, regardless of amount of organic waste)
2020	2 Cubic Yards (commercial solid waste, if state does not meet goal)

Below are the acceptable items for food waste recycling:

- Dairy products
- Fruits
- Vegetables
- Meat
- Bones
- Seafood
- Poultry
- Breads
- Grains
- Coffee grounds
- Plant trimmings



Assistance in evaluating your overall solid waste needs is also available. Our Waste and Recycling Service Coordinators will conduct a free waste assessment and assist to make any necessary service changes. Contact our customer service department to assist you with your organic waste needs and obtain a waste assessment.

Contact Information

Burrtec Waste Industries
(800) 325-9417

1017 West Gladstone Street
Azusa, CA 91702

Hours of Operation

Mon-Fri 8:00 am to 5:00 pm



Holiday Schedule

No service on these holidays

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- New Year's Day

When the holiday falls on a weekday, collections for the remainder of the week will be delayed by one day. There is no service interruption or delay when the holiday falls on a Saturday or Sunday.

Recycling Programs —Let Us Help!

California Assembly Bill 341 mandates businesses and public entities, generating four (4) cubic yards of trash or more and multi-family residential dwellings with five or more units, to establish and maintain recycling service.

Recycling not only conserves our natural resources but can save money by reducing waste disposal costs. Our staff can assist in selecting the appropriate recycling service level, along with the necessary education and outreach to residents and managerial staff. Call our customer service department today to schedule a complimentary waste and recycling assessment.

If you already have a recycling program and would like to make additional enhancements, please call our customer service department for assistance.

Scavenging Hurts Businesses!

Whether it's called dumpster diving or scavenging, it is the unauthorized removal of solid waste materials. Removal of materials from a bin may increase the cost of collection services! Materials placed in a recycling bin have a value that is used to offset collection and processing costs. When a scavenger breaks the law and removes those materials they are also removing any value associated with the recycling program, which ultimately affects rates. If you see a scavenger, do not approach them! Get a description of the person and/or vehicle with license plate number or take a picture. Call or send a picture to Burrtec Waste Industries. Also, please help us help you. Do not give permission to scavengers to take recyclables.

Scavenging is stealing and punishable by law! What is Scavenging? The unauthorized removal of materials from this container.		Hurgar desechos es robar y castigado por ley! ¿Que es hurgar desechos? Es el llevarse materiales sin autorización de este recipiente.
---	---	--

TIPS ON PROPER WASTE DISPOSAL

DO

- **DO** Close lid(s)
- **DO** Place waste inside bin
- **DO** Ensure bin is accessible for service between service hours: 6:00 A.M. - 6:00 P.M.

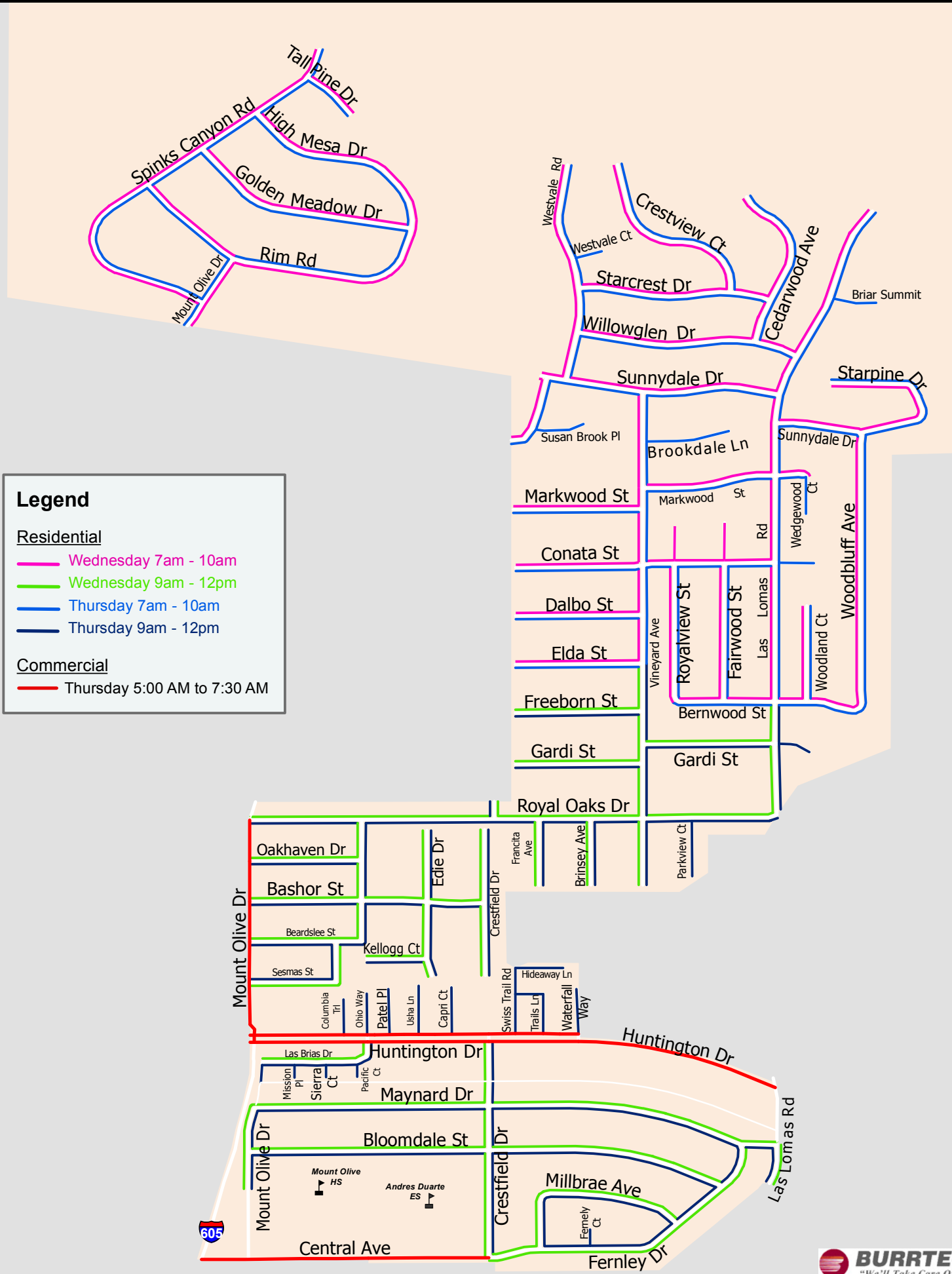


DON'T

- **DON'T** Leave lid(s) open
- **DON'T** Leave waste sticking out of bin
- **DON'T** Leave accumulated trash out on the ground
- **DON'T** Block bin
- **DON'T** Place bin out late for service

Bin overflowing? Call our office to increase service.

Duarte Street Sweeping: Area 2 - 2nd & 4th Wednesday and Thursday





Burrtec Waste Services
1017 W. Gladstone St.
Azusa, CA 91702



***Important street sweeping
program information.***



DUARTE MANDATORY NO PARKING STREET SWEEPING PILOT PROGRAM

The City of Duarte is launching a new pilot street sweeping program effective April 12, 2017. The program involves the mandatory removal of vehicles on designated sides of the street sweeping days to facilitate unobstructed access to curb and gutter by the sweeper. Street sweeping will occur in your area on the second and fourth Wednesdays or Thursdays of every month.

Parking signs will be posted prior to the beginning of the program.

The program features a 30-day grace period where written warning notices will be issued. This grace period is during the month of April only. Grace period ends May 10th at which time citations will be issued. Citations will cost \$63.00. For additional information, contact Duarte Public Safety at (626) 357-7938.

La ciudad de Duarte está lanzando un nuevo programa del barrido de calles efectivo el 12 de abril de 2017. El programa implica el retiro obligatorio de vehículos a los lados señalados de la calle en días de barrido de calles para facilitar el acceso sin obstáculo a la acera y a las canaletas por el barrendero. Servicio de barrido de calle ocurrirá en su área el segundo y cuarto miércoles o jueves de cada mes.

Letreros del estacionamiento serán puestas antes del principio del programa.

El programa ofrece un período de gracia de 30 días donde los avisos escritos serán repartidos. Este período de gracia sólo será durante el mes de abril. Periodo de gracia termina el 10 de mayo en qué momento se emitirá las citaciones del estacionamiento. Las infracciones costarán \$63.00. Para información adicional con comuníquese Duarte Departamento de Seguridad Pública al (626) 357-7938.



April 2017

BURRTEC NEWS

Waste and Recycling Newsletter

Sponsored by the City of Duarte and Burrtec Waste Services

"We'll Take Care Of It"

Household Hazardous Waste E-Waste Collection Event

Saturday, May 13, 2017 - 9:00 a.m. - 3:00 p.m.

City of El Monte
El Monte Airport
4233 North Santa Anita Avenue
El Monte, CA 91731

Household Hazardous Waste/ E-Waste Collection events are FREE and open to all residents of L.A. County for household waste. There is a transportation limit of 15 gallons or 125 pounds of hazardous waste per trip.

Please visit www.cleanLA.com for more information.

Acceptable Items:

Anti-freeze
Batteries
Compact fluorescent light bulbs (CFLs)
Computer monitors
Expired Medications
Household cleaners
Motor oil and filters
Paints
Pesticides
Solvents
Television sets
Weed killers



Community Clean Up!

April 8, 2017

Burrtec offers a convenient drop-off location for Duarte's community clean-up. Burrtec will be collecting non-hazardous waste. No tires, commercial waste or hazardous waste will be accepted.

Please bring your Burrtec trash bill for proof of residency.

Drop-Off Locations:

- 1) Duarte Civic Center 1600 Huntington Drive
- 2) Beardslee Elementary 1212 Kellwill Lane

Time: 8:00 AM - 2:00 PM

Items accepted:

Appliances

- Dishwashers
- Refrigerators
- Stoves
- Washers & dryers
- Water heaters

Furniture

- Chairs
- Couches
- Mattresses
- Tables

Others

- Bundles of lumber/ tree branches (48" max length)
- Toys
- Electronic Waste



Shred Event

Protect your identity, shred your personal papers for FREE!

Duarte Residents ONLY

Where: Beardslee Elementary 1212 Kellwill Lane

Time: 8:00 AM - 2:00 PM

What to bring: old bank statements, old pay stubs, credit card applications, old papers with personal information. No binders please.

For more information please call Burrtec at (626) 932-1558

Sponsored by the City of Duarte and Burrtec

Compost Giveaway

Free to Duarte Residents

Where: Beardslee Elementary 1212 Kellwill Lane

Time: 8:00 AM - 2:00 PM

Benefits of Compost:

- Helps retain moisture to reduce watering
- Controls erosion
- Suppresses weed growth
- Provides beneficial nutrients to improve soil

This is a self serve event so please bring sturdy bags, pails, containers, gloves and a shovel to take and load your compost.

First come, first serve. Please bring a copy of your trash bill.



Contact Information

Burrtec Waste Services

(626) 932-1558

1017 West Gladstone Street
Azusa, CA 91702

Hours of Operation

Mon-Fri 8:00 am to 5:00 pm





“We’ll Take Care Of It”

Evento de recolección de desperdicios domésticos peligrosos Electrodomésticos

Sábado, 13 de Mayo, 2017 - 9:00 a.m. - 3:00 p.m.

Ciudad de El Monte
El Monte aeropuerto
4233 North Santa Anita Avenue
El Monte, CA 91731

Los eventos de recolección de desperdicios domésticos peligrosos / electrodomésticos son GRATUITOS y están abiertos para desecho de desperdicios domésticos a todos los residentes del Condado de Los Ángeles.

Los eventos son desde las 9:00 a.m. hasta las 3:00 p.m. Para mas información sírvase visitar www.cleanLA.com

Artículos aceptables:

Aceite y filtros de motor
Anticongelantes
Aparatos de televisión
Baterías
Bombillas fluorescentes compactas
Limpiadores domésticos
Mata malezas
Medicamentos vencidos
Monitores de computadora
Pesticidas
Pinturas
Solventes



¡Limpieza en la comunidad!

8 de Abril, 2017

Burrtec ofrece lugares convenientes para arrojar los desechos de la limpieza de la comunidad de Duarte. Burrtec hará una recolección de desperdicios no peligrosos. Por favor no llevar llantas, desperdicios comerciales o desperdicios peligrosos.

Sírvase traer su factura de recolección de basura de Burrtec para dar prueba de su residencia.

Lugares para arrojar desechos:

- 1) Duarte Civic Center 1600 Huntington Drive
- 2) Beardslee Elementary 1212 Kellwill Lane

Hora: 8:00 AM - 2:00 PM

Artículos grandes o voluminosos incluyen aceptables:

Electrodomésticos

- Lavaplatos
- Refrigeradoras
- Estufas
- Lavadoras y secadoras
- Calentadores de agua

Muebles

- Sillas
- Sofás
- Colchones
- Mesas

Otros

- Atados de leña/ramas de árboles (Máximo de 48 pulgadas de longitud)
- Juguetes
- Desperdicios electrónicos

Destrucción de documentos

Proteja su identidad , destruya sus documentos personales GRATIS!

Los residentes de Duarte SOLAMENTE

Qué llevar: viejos estados de cuenta, talones de pago de edad, solicitudes de tarjetas de crédito, viejo papeles con información personal. No hay cuadernos por favor.

Dónde: Beardslee Elementary 1212 Kellwill Lane

Hora: 8:00 AM - 2:00 PM.

Para obtener más información, por favor llame Burrtec al (626) 932-1558.

Patrocinado por la ciudad de Duarte y Burrtec.

Reparto de abono gratis Gratis para los residentes de Duarte

Dónde: Beardslee Elementary 1212 Kellwill Lane

Hora: 8:00 AM - 2:00 PM

Beneficios del Abono:

- Ayuda a retener la humedad para reducir el riego
- Controla la erosión
- Suprime el crecimiento de malezas
- Proporciona nutrientes beneficiosos para mejorar la tierra

Este es un evento de auto-servicio. Por favor traiga bolsas resistentes, cubos, contenedores, guantes y una pala para tomar y cargar su abono.

Se le sirve en orden de llegada. Por favor traiga una copia de su factura de basura.



Información de Contacto

Burrtec Waste Services

(626) 932-1558

1017 West Gladstone Street
Azusa, CA 91702

Horas de oficina

Mon-Fri 8:00 am to 5:00 pm





June 9, 2017

[Company Name]
[Street Address]
[City, ST ZIP Code]

RE: Notice of Non-Compliance, Commercial Organics Recycling Requirements

Dear Customer,

Assembly Bill 1826 (AB 1826), approved by the State of California, set forth **mandatory commercial organics recycling** requirements. The bill includes requirements that businesses, public entities, and multifamily residential dwellings (five or more units), generating 4-cubic yards or more of organics are to establish and maintain commercial organics recycling service. Organic waste materials include food waste, green waste, landscape and pruning waste, and nonhazardous wood waste. Multi-Family dwellings organics diversion is specific to green waste only (not food waste).

In accordance with AB 1826, your business or property may be required to implement mandatory organics recycling. Assistance in evaluating your overall solid waste needs is also available. Burrtec's Waste and Recycling Service Coordinators can conduct a free waste assessment and assist you in making any necessary service changes to comply with the law.

If you find that you are meeting the requirement of an existing organics recycling program, please fill out and return the questionnaire on the back of this letter so your recycling compliance is properly recorded.

We appreciate your cooperation in this matter. Should you have any questions or to obtain a waste assessment, please call Burrtec's office at (800) 325-9417.

Sincerely,

Karen Herrera
Deputy City Manager
City of Duarte

cc: Octavio Camacho, Burrtec Waste Industries, Inc

BUSINESS INFORMATION:

Business Name: _____ Business Type: _____ # of Employees _____

Business Address: _____

Business Mailing Address (if different): _____

Name and Title of Contact Person: _____

Phone Number: _____ Email Address: _____

FOOD WASTE PROGRAM INFORMATION:1a. Does your business generate food waste? ☐ Yes ☐ No**If the answer is No to 1a, please move forward to Item 1b*1a.i. Approximately how much food is generated per week?
(tons/lbs/gallons/bags, etc.) _____2a. Do you currently separate your food waste? ☐ Yes ☐ No3a. Do you recycle or donate your food waste? ☐ Yes ☐ No**(Check all that apply)**

- ☐ Food waste Backhauled)
(Return unused product to distribution center)
- ☐ Food waste recycled by Yucaipa Disposal
- ☐ Food waste recycled by another company
- ☐ Food waste donated
- ☐ Other: _____

GREEN WASTE PROGRAM INFORMATION:1b. Does your business generate green waste? ☐ Yes ☐ No**If the answer is No to 1b, please move forward to Item 13 & 14.*2b. Do you currently separate your green waste? ☐ Yes ☐ No3b. Do you recycle your green waste? ☐ Yes ☐ No**(Check all that apply)**

- ☐ Green waste (Removed by landscaper)
- ☐ Other: _____

4. If you use backhaul or another company, please provide the following information:

Company Name: _____ Phone number: _____

5. Types of food recycled. (Check all that apply)

☐ Fruit ☐ Poultry ☐ Seafood ☐ Dairy ☐ Vegetables ☐ Animal Bones ☐ Meat ☐ Baked Goods ☐ Other: _____

6. Approximately how much food is recycled per week? (tons/lbs/gallons/bags, etc.) _____

7. Where does the backhaul company or food waste recycler take the food waste to be recycled? _____

8. Do you donate your food to charity? ☐ Yes Charity Name: _____ ☐ No

Type of food donated? (Check all that apply)

☐ Fruit ☐ Meats ☐ Seafood ☐ Vegetables ☐ Dairy Products ☐ Canned Goods ☐ Soups ☐ Baked Goods ☐ Other: _____9. If you do not recycle or donate your food, what do you do with the food waste generated?

10. Is there any additional information you would like to provide? _____

11. Would you like a waste assessment conducted at your business or organization? ☐ Yes ☐ No**If the answer is Yes to Item 11, please move forward to item 12a and 12b*

12a. Contact Information: _____ Phone Number or Email Address: _____

12b. What is the best time of day to contact you _____

13. Print name and title of person filling out this form: _____

14. Signature: _____ Date: _____

Internal Use Only

EE Name: _____

F/G Code: _____

Div Code/Billing Group: _____

Sales Ticket: Y / N



July 2017

BURRTEC NEWS

Waste and Recycling Newsletter

Sponsored by the City of Duarte and Burrtec Waste Services

"We'll Take Care Of It"

Community Clean-Up!

Saturday, September 30 from 8:00 a.m. to 2:00 p.m.

Shred Event

Protect your identity, shred your personal papers for FREE!

Duarte Residents ONLY

Location: Duarte City Hall, 1600 Huntington Dr.

What to bring: old bank statements, old pay stubs, credit card applications, old papers with personal information. No binders please. Sponsored by the City of Duarte and Burrtec.

Compost Giveaway

Duarte Residents Only

Location: Duarte City Hall, 1600 Huntington Dr.

This is a self serve event so please bring sturdy bags, pails, containers, gloves and a shovel to take and load your compost. First come, first serve. Please bring a copy of your trash bill.

Bulky Item Drop-Off

Burrtec offers two convenient drop-off locations for Duarte's community clean-up. Burrtec will be collecting non-hazardous waste. Please no tires, commercial waste or hazardous waste. Please bring your Burrtec trash bill for proof of residency.

Drop-Off Locations:

- 1) Duarte City Hall, 1600 Huntington Dr.
- 2) Beardslee Elementary 1212 Kellwil Way

Appliances

- Dishwashers
- Refrigerators
- Stoves
- Washers & dryers
- Water heaters

Furniture

- Chairs
- Couches
- Mattresses
- Tables

Others

- Bundles of lumber/ tree branches (48" max length)
- Toys
- Electronic Waste

For more information please call Burrtec at (626) 932-1558.

Recycle Right!

Place these types of materials in your recycling barrel or bin. Make sure all containers are completely empty.

- | | | |
|--|--------------------------|-----------------------|
| • Aerosol cans | • Envelopes | • Paper tubes |
| • Aluminum cans (please do not crush) | • Glass bottles, jars | • Phone books |
| • Brochures | • Glass cosmetic bottles | • Pizza boxes |
| • Cardboard | • Junk mail | • Plastic containers |
| • Cartons | • Laundry bottles | • Plastic milk jugs |
| • Cereal boxes (remove wax paper lining) | • Magazines/catalogs | • Styrofoam products* |
| • Clothes hangers | • Milk/juice cartons | • Tin cans |
| • Computer paper | • Newspaper | • Tissue boxes |
| • Coupons | • Paper | • Wrapping paper |

*Not all areas recycle Styrofoam. Please contact customer service for more details.



Recycling Fact - The average person generates over 4 pounds of trash every day and about 1.5 tons of solid waste per year.

Contact Information

Burrtec Waste Services

(800) 325-9417

1017 West Gladstone Street
Azusa, CA 91702

Hours of Operation

Mon-Fri 8:00 am to 5:00 pm

www.burrtec.com



Household Hazardous Waste Collection Event

Saturday, September 30, 2017 times: 9 a.m. to 3 p.m.

City Hall parking lot • 1600 Huntington Drive

Household Hazardous Waste Collection events are FREE and open to all residents of L.A. County for household waste. There is a transportation limit of 15 gallons or 125 pounds of hazardous waste per trip.

Acceptable Items:
Anti-freeze
Batteries
Compact fluorescent light bulbs (CFLs)

Computer monitors
Expired Medications
Household cleaners
Motor oil and filters
Paints

Pesticides
Solvents
Television sets
Weed killers



For additional information, please visit www.CleanLA.com or call (888) CLEAN LA.



julio 2017

BURRTEC NEWS

Boletín de Residuos y Reciclaje

Patrocinado por la Ciudad de Duarte y Burrtec Waste Services

"Nos Encargaremos De Ello"

¡Limpieza en la comunidad!

Sábado, 30 de septiembre desde las 8:00 a.m. hasta las 2:00 p.m.

Destrucción de documentos

Proteja su identidad, destruya sus documentos personales GRATIS!

Los residentes de Duarte SOLAMENTE

Donde: Duarte City hall, 1600 Huntington Dr.

Qué llevar: viejos estados de cuenta, talones de pago, solicitudes de tarjetas de crédito, papeles con información personal. No se aceptan cuadernos. Patrocinado por la ciudad de Duarte y Burrtec.

Reparto de abono gratis

Los residentes de Duarte SOLAMENTE

Donde: Duarte City hall, 1600 Huntington Dr.

Este es un evento de auto-servicio. Por favor traiga bolsas resistentes, cubos, contenedores, guantes y una pala para tomar y cargar su abono. Se le sirve en orden de llegada. Por favor traiga una copia de su factura de basura.

Recolección de Artículos Grandes y Voluminosos

Burrtec ofrece dos lugares convenientes para arrojar los desechos de la limpieza de la comunidad de Duarte. Burrtec hará una recolección de desperdicios no peligrosos. Por favor no llevar llantas, desperdicios comerciales o desperdicios peligrosos. Sírvase traer su factura de recolección de basura de Burrtec para dar prueba de su residencia.

Lugares para arrojar desechos:

- 1) Duarte City hall, 1600 Huntington Dr.
- 2) Beardslee Elementary 1212 Kellwil Way

Electrodomésticos

- Lavaplatos
- Refrigeradoras
- Estufas
- Lavadoras y secadoras
- Calentadores de agua

Muebles

- Sillas
- Sofás
- Colchones
- Mesas

Otros

- Atados de leña/ramas de árboles (Máximo de 48 pulgadas de longitud)
- Juguetes
- Desperdicios electrónicos

Para obtener más información, por favor llame Burrtec al (626) 932-1558.

¿Que puede usted reciclar?

Coloque estos materiales en su contenedor. Asegúrese que todo los envases estén completamente vacíos.

- Botellas de cosméticos de vidrio
- Botellas & frascos de vidrio
- Botellas de productos de lavandería
- Botes de lamina
- Cajas de cereal (quitarles la bolsa de papel encerado)
- Cajas de Pañuelos desechables
- Cajas de Pizza
- Cartón
- Correo no deseado (junk)
- Cupones
- Directorios telefónicos
- Envases de plástico para leche
- Folletos
- Ganchos para la ropa
- Latas (no aplastar)
- Los botes de Aerosol (spray) deben estar completamente vacíos
- Papel
- Papel de computadora
- Papel de contabilidad
- Papel de envolver (envoltura)
- Periódicos
- El poliestireno*
- Productos de espuma de estireno
- Recipiente de Cartón
- Recipientes de plástico #1-#7
- Revistas/catálogos
- Sobres (aun los que tienen ventana de plástico)
- Tubos de papel



La persona promedio genera más de 4 libras de basura cada día y cerca de 1.5 toneladas de residuos sólidos por año.

*No todas las áreas reciclan el poliestireno. Por favor, póngase en contacto con servicio al cliente para más detalles.

Información de Contacto

Burrtec Waste Services

(800) 325-9417

1017 West Gladstone Street
Azusa, CA 91702

Horas de oficina

Lunes a Viernes 8:00 am - 5:00 pm

www.burrtec.com



Evento de recolección de desperdicios domésticos peligrosos

Sábado, 30 de septiembre, 2017 Horas: 9 a.m. to 3 p.m.

City Hall parking lot • 1600 Huntington Drive

Los eventos de recolección de desperdicios domésticos peligrosos son GRATUITOS y están abiertos para desecho de desperdicios domésticos a todos los residentes del Condado de Los Ángeles. Existe un límite de transportación de 15 galones o 125 libras de desperdicios peligrosos por viaje.

Los eventos son desde las 8 a.m. hasta las 2 p.m.

- | | | |
|---------------------------|-----------------------------------|------------|
| Artículos aceptables: | Bombillas fluorescentes compactas | Pesticidas |
| Aceite y filtros de motor | Limpiadores domésticos | Pinturas |
| Anticongelantes | Mata malezas | Solventes |
| Aparatos de televisión | Medicamentos vencidos | |
| Baterías | Monitores de computadora | |

Para obtener más información, visite www.CleanLA.com o llame (888) CLEAN LA.



"We'll Take Care Of It"

Is Your Business In Compliance?

California Assembly Bill 341, **Mandatory Commercial Recycling** law requires businesses and public entities, generating four (4) cubic yards of trash or more and multi-family residential dwellings with five or more units, to establish and maintain recycling service.

Recycling not only conserves our natural resources but can save money by reducing waste disposal costs. Burrtec Recycling Coordinators can assist in selecting the appropriate recycling service level, along with the necessary education and outreach to residents and managerial staff. Call our Customer Service department today to schedule a complimentary waste and recycling assessment.

If you already have a recycling program and would like to make additional enhancements, please call our Customer Service department for assistance.



Organics Recycling Requirements

Effective January 2017, the State's Mandatory Organic Waste Recycling law (AB 1826) requires businesses generating more than four cubic yards of organics per week and multifamily residential properties with five dwelling units or more that generate four cubic yards of green waste per week, to arrange organics recycling services. Burrtec offers a food waste and green waste program that assists in complying with the law. The law phases in the requirements on businesses and multifamily residential dwellings over time, based on the following dates by 2019. Additionally, the state law contains a trigger that will increase the scope of affected businesses, if waste reduction targets are not met. Please see schedule below:

<u>Year</u>	<u>Cubic Yards Generated Weekly</u>
2017	4 Cubic Yards (organic waste)
2019	4 Cubic Yards (commercial solid waste, regardless of amount of organic waste)
2020	2 Cubic Yards (commercial solid waste, if state does not meet goal)



Below are the acceptable items for Organics recycling:

- Dairy products
- Bones
- Grains
- Fruits
- Seafood
- Coffee grounds
- Vegetables
- Poultry
- Plant trimmings
- Meat
- Breads



Assistance in evaluating your overall solid waste needs is also available. Our Waste and Recycling Service Coordinators will conduct a free waste assessment and assist to make any necessary service changes. Contact our Customer Service department to assist you with your organic waste needs and obtain a waste assessment.

Contact Information

Burrtec Waste Industries

(800) 325-9417

1017 West Gladstone Street
Azusa, CA 91702

Hours of Operation

Mon-Fri 8:00 am to 5:00 pm



www.burrtec.com

Recycling fact:

We generate 21.5 million tons of food waste each year. If we composted that food, it would reduce the same amount of greenhouse gas as taking 2 million cars off the road.

Holiday Schedule

No service on these holidays

- Memorial Day
- Thanksgiving Day
- Independence Day
- Christmas Day
- Labor Day
- New Year's Day

When the holiday falls on a weekday, collections for the remainder of the week will be delayed by one day. There is no service interruption or delay when the holiday falls on a Saturday or Sunday.

What Can Be Recycled... Place in recycling container

- Aerosol cans (must be completely empty)
- Aluminum cans
- Brochures
- Cardboard
- Cereal boxes (remove wax paper lining)
- Clothes hangers
- Computer paper
- Coupons
- Envelopes
- Glass bottles, jars
- Glass cosmetic bottles
- Junk mail
- Laundry bottles
- Magazines/catalogs
- Newspaper
- Paper
- Paper tubes
- Phone books
- Pizza boxes
- Plastic containers #1- #7
- Plastic film
- Plastic milk jugs
- Styrofoam products
- Tin cans
- Tissue boxes
- Wrapping paper



What CANNOT be Recycled... Place in trash container

Recycling the correct materials adds to the success of your recycling program. Remember to avoid putting the following materials in the recycling container.

- Bag with trash
- Ceramic dishware
- Contaminated rags
- Glass dishware
- Non-recyclable foam
- Wax covered cardboard boxes
- Tarps



Trash Enclosure Maintenance

Follow these simple tips to keep your trash enclosure clean:

- **Keep dumpster lids closed.** This prevents the rain water from entering the container and keeps wind from tossing litter into the parking lot and surrounding areas.
- **Pick up litter in and around trash enclosure and parking lot.** Don't let it enter the streets or storm drain system. Call Burrtec to empty the dumpster if it is full.
- **Don't fill dumpster or compactor with liquid waste or hose it out.** Keeping liquids out of your trash and recycling containers will prevent any liquids from leaking into the surrounding area.
- **Sweep outside areas instead of using a hose.** Sweeping not only conserves water, it also prevents the material from entering the storm drain.

SCAVENGING IS ILLEGAL

Removal of garbage and/or recyclables from solid waste containers is punishable by law (DMC 6.09.020)

Report Scavenging Activity!

Please Call:
Los Angeles County
Sheriff's Department
(626) 285-7171



REMEMBER: If you see a scavenger, do not approach them! Get a description of the person and or vehicle with license plate number and their direction of travel.

Penalty for Scavenging

- Impoundment of vehicle
- Fines



BURRTEC
"We'll Take Care Of It"



Developed in conjunction with the City of Duarte and Burrtec Waste Industries, Inc.



"We'll Take Care Of It"

Recycling List

Place these items into your blue recycling barrel.

- Aerosol cans
(must be completely empty)
- Aluminum cans
- Brochures
- Cardboard
- Cartons
- Cereal boxes
(remove wax paper lining)
- Clothes hangers
- Computer paper
- Coupons
- Envelopes (includes plastic windows)
- Glass bottles & jars
- Glass cosmetic bottles
- Junk mail
- Laundry bottles
- Ledger paper
- Magazines/catalogs
- Newspaper
- Paper
- Paper tubes
- Phone books
- Pizza boxes
- Plastic containers #1-#7
- Plastic milk jugs
- Styrofoam*
- Tin cans
- Tissue boxes
- Wrapping paper



**Not all areas recycle Styrofoam. Contact Customer Service for more details.*

Contact Information

Burrtec Waste Services
1017 West Gladstone Street
Azusa, CA 91702

Phone (626) 932-1558

Hours of Operation
Mon-Fri 8:00 am to 5:00 pm



www.burrtec.com

Holidays are coming! Christmas Tree Disposal Details!

Burrtec will collect and recycle Christmas trees from single-family residences. Please place your tree at curbside after Christmas on your collection day. Burrtec will provide this service for approximately a 2 week period after Christmas Day. Trees 6' and over need to be cut in half. Please take all ornaments, lights, and metal stands off of the tree. Flocked trees will not be recycled. They will be collected as trash. Flocked trees 6' and over need to be cut in half.



Extra Holiday Waste

Approximately 80% of your holiday trash is recyclable. All gift boxes, wrapping paper, greeting cards, and cardboard packaging are items that may be placed in your recycling barrel. Burrtec will collect your excess holiday trash and recyclables. Beginning the day after Christmas for approximately 1 week, place excess holiday trash/recyclables in bags alongside your containers on your collection day.



Temporary Roll-Off Boxes for Special Clean-Ups Available

Burrtec offers large roll off boxes for commercial clean-ups and special projects. Containers are available for 7-day rentals and include delivery and removal. All unwanted materials can be placed directly into the container with the exception of hazardous waste, tires or large amounts of dirt, rock, concrete, or asphalt. Please call our Customer Service Department to order one today!



Automated Bill Pay

For your convenience, you can make a payment any day, anytime, using our **FREE** automated payment service.

Have your account number, billing zip code and payment option (either check or credit card) available. Simply dial (866) 306-9004 and when prompted enter the requested information. It's that easy!



Holiday Schedule

• Christmas Day	• Memorial Day
• Independence Day	• New Year's Day
• Labor Day	• Thanksgiving Day

When a holiday falls on a Monday, there will be no service delay. Should a holiday fall between Tuesday - Friday, service will be delayed by one day.



"We'll Take Care Of It"

¿Que puede usted reciclar?

Abajo hay una lista de reciclables que ayudarán su programa de reciclaje:

- Botellas & frascos de vidrio
- Los botes de Aerosol (spray) deben estar completamente vacíos
- Botellas de cosméticos de vidrio
- Botellas de productos de lavandería
- Botes de lamina
- Cajas de cereal (quitarles la bolsa de papel encerado)
- Cajas de Pizza
- Cajas de Pañuelos desechables
- Cartón
- Correo no deseado (junk)
- Cupones
- Directorios telefónicos
- Envases de plástico para leche
- Folletos
- Ganchos para la ropa
- Latas (no aplastar)
- Papel
- Papel de computadora
- Papel de contabilidad
- Papel de envolver (envoltura)
- Periódicos
- Productos de espuma de estireno*
- Recipiente de Cartón
- Recipientes de plástico #1-#7
- Revistas/catálogos
- Sobres (aun los que tienen ventana de plástico)
- Tubos de papel



**No todas las areas reciclan Productos de espuma de estireno. Por favor llame al Departamento de Servicio al Cliente para más detalles.*

Información de Contacto

Burrtec Waste Services
1017 West Gladstone Street
Azusa, CA 91702

Phone (626) 932-1558

Horas de oficina
Mon-Fri 8:00 am to 5:00 pm



www.burrtec.com

Recolección Residencial de Árboles de Navidad

Burrtec recogerá sus árboles navideños por aproximadamente 2 semanas despues del día de Navidad. Simplemente coloque su arbolito en la acera junto a su contenedor el día regular de su recolección. Árboles más de 6 pies deben ser cortados por la mitad. Por favor quite todos los ornamentos y la base del árbol.



Basura y Reciclaje Adicional de los Dias Festivos

Aproximadamente el 80% de la basura de los días festivos es reciclable. Todas las cajas de regalo, papel de envolver, tarjetas de navidad, y embalajes de cartón son artículos que pueden ser colocados en el barril de reciclaje. Burrtec recogerá el exceso de basura y reciclables de los días festivos por aproximadamente 1 semana despues del día de Navidad. Coloque el exceso de basura/reciclables en bolsas junto a los contenedores automatizados en el día de recolección.



Cajas de roll-off temporales para Especial limpiezas Disponible

Burrtec ofrece gran rollo de cajas para limpiezas comerciales y proyectos especiales. Los contenedores están disponibles para alquileres de 7 días e incluyen la entrega y retirada. Todos los materiales no deseados se pueden colocar directamente en el contenedor con la excepción de los residuos peligrosos, neumáticos o grandes cantidades de tierra, rocas, concreto o asfalto. Por favor llame a nuestro Departamento de Servicio al Cliente para pedir uno hoy!



Pago de Facturas Automatizado

Para su conveniencia, usted puede hacer un pago en cualquier día, en cualquier momento, utilizando nuestro servicio de pago automatizado **GRATIS**.

Tenga su número de cuenta, el código postal de facturación y opción de pago (ya sea cheque o tarjeta de crédito) disponible. Marque el (866) 306-9004 y cuando se le pide introduzca la información requerida. ¡Es así de fácil!



Horario Festivo

• Día de la acción de gracias	• Día de la Independencia
• Día de Año Nuevo	• Día laboral
• Día conmemorativo	• Día de la Navidad

Quando un día de fiesta cae el lunes, no habrá retraso del servicio. Si un día de fiesta cae entre martes - viernes, servicio será retrasado por un día.

LOS ANGELES COUNTY HAULER PERMIT



Jeffrey D. Gurzenhauser, MD

Jeffrey D. Gurzenhauser, MD., M.P.H.
Interim Health Officer

THIS PERMIT MUST BE CONSPICUOUSLY DISPLAYED ON THE PREMISES

Public Health Permit Valid Until 12/31/2018



PR Number: PR0157413
Program ID: COMMERCIAL
Description: SWF - WASTE COLLECTOR YARD FEE

Facility Owner - Mail Address

BURRTEC WASTE IND.
9890 CHERRY AVE
FONTANA, CA 92335-5202

Facility Location

BURRTEC WASTE SERVICES
1017 W GLADSTONE ST
AZUSA, CA 91702

SWA

PERFORMANCE BOND

This bond replaces and supersedes the prior bond # 0153513-04. The penal sum contained herein is not cumulative with prior bonds.

BOND NUMBER: 0153513-05

PREMIUM: \$3,238.00

FRANCHISE BOND

KNOW ALL MEN BY THESE PRESENTS, that we Burrtec Waste Service, LLC as Principal, and Berkley Insurance Company a Corporation organized under the laws of the State of Delaware, and duly authorized to transact business under the law of the State of California, as Surety, are held and firmly bound unto the City of Duarte State of California, as Obligee, in the just and full sum of Two Hundred Fifty-Nine Thousand and 00/100 Dollars (\$259,000.00) for payment whereof well and truly to be made, and Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION of the foregoing obligation is such, that whereas, the above bounden Principal has entered into a Franchise Contract dated September 9, 1998 with the said Obligee for the collection, transportation and disposal of refuse from the area described in said Franchise Contract for the term commencing February 16, 2018 and ending on February 16, 2019 as will more fully appear from said Franchise Contract reference to which is hereby made.

NOW, THEREFORE, if the above bounden Principal, his or its heirs, executors, administrators, successors or assigns shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said Franchise Contract on his part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the said Obligee, its officers and agents, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

This bond is executed subject to the following express conditions, the fulfillment of which being precedent to any right of recovery hereunder.

No. 1. This bond shall be considered as one of suretyship only and the right of action is given to no one other than the Obligee named herein.

No. 2. Irrespective of the terms of the agreement mentioned above, it is agreed by all parties to this bond (the Principal, the Surety, and the Obligee) that this bond will be effective only for a period of one year from February 16, 2018 and is renewable by continuation certificates for additional periods of one year, such continuation certificates to be issued at the option of the Surety. Surety agrees to give thirty (30) days notice in writing to the Obligee of either cancellation or its intent not to renew, as provided for in this bond.

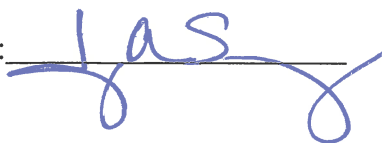
No. 3. Notice of any claim hereunder must be given to the Surety at its office at 4 Hutton Centre Dr., Ste. 640 – Santa Ana, CA 92707, as soon as possible and in any event within fifteen (15) days after anything shall come to the notice of the Obligee or any of its officers indicating the possibility to claim hereunder.

No. 4. Any action to recover loss hereunder shall be commenced by the Obligee in a court of competent jurisdiction within one year after giving notice of possible claim as provided in Condition No. 3 and the Principal shall be made a party to such action if he can with reasonable diligence be served with process therein.

IN WITNESS WHEREOF, we have hereunto set our hands and seal this 4th day of January, 2018.

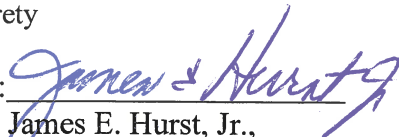
Burrtec Waste Services, LLC
Principal

By: _____



Berkley Insurance Company
Surety

By: _____



James E. Hurst, Jr.,
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On January 4th, 2018 before me, Deborah Priest-McGinn

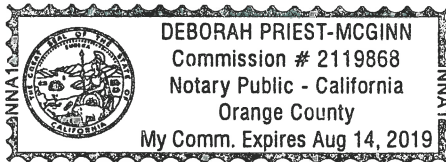
Date

Here Insert Name and Title of the Officer

personally appeared James E. Hurst, Jr.

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Deborah Priest-McGinn

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

POWER OF ATTORNEY
BERKLEY INSURANCE COMPANY
WILMINGTON, DELAWARE

NOTICE: The warning found elsewhere in this Power of Attorney affects the validity thereof. Please review carefully.

KNOW ALL MEN BY THESE PRESENTS, that BERKLEY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Greenwich, CT, has made, constituted and appointed, and does by these presents make, constitute and appoint: *Matthew F. Schafnitz; or James E. Hurst, Jr. of Acrisure of California, LLC dba Brakke-Schafnitz Insurance Brokers, LLC of Laguna Niguel, CA* its true and lawful Attorney-in-Fact, to sign its name as surety only as delineated below and to execute, seal, acknowledge and deliver any and all bonds and undertakings, with the exception of Financial Guaranty Insurance, providing that no single obligation shall exceed **Fifty Million and 00/100 U.S. Dollars (U.S.\$50,000,000.00)**, to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. This Power of Attorney is granted pursuant to the following resolutions which were duly and validly adopted at a meeting of the Board of Directors of the Company held on January 25, 2010:

RESOLVED, that, with respect to the Surety business written by Berkley Surety Group, the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company, in conjunction with the Secretary or any Assistant Secretary are hereby authorized to execute powers of attorney authorizing and qualifying the attorney-in-fact named therein to execute bonds, undertakings, recognizances, or other suretyship obligations on behalf of the Company, and to affix the corporate seal of the Company to powers of attorney executed pursuant hereto; and said officers may remove any such attorney-in-fact and revoke any power of attorney previously granted; and further

RESOLVED, that such power of attorney limits the acts of those named therein to the bonds, undertakings, recognizances, or other suretyship obligations specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated; and further

RESOLVED, that such power of attorney revokes all previous powers issued on behalf of the attorney-in-fact named; and further

RESOLVED, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligation of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed. The Company may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Company, notwithstanding the fact that they may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, the Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 24th day of August, 2015.

Attest:

(Seal)

By

Ira S. Lederman
Senior Vice President & Secretary

Berkley Insurance Company

By

Jeffrey M. Hafter
Senior Vice President

WARNING: THIS POWER INVALID IF NOT PRINTED ON BLUE "BERKLEY" SECURITY PAPER.

STATE OF CONNECTICUT)

) ss:

COUNTY OF FAIRFIELD)

Sworn to before me, a Notary Public in the State of Connecticut, this 24th day of August, 2015, by Ira S. Lederman and Jeffrey M. Hafter who are sworn to me to be the Senior Vice President and Secretary, and the Senior Vice President, respectively, of Berkley Insurance Company.

MARIA C. RUNDBAKEN
NOTARY PUBLIC
MY COMMISSION EXPIRES
APRIL 30, 2019

Maria C. Rundbaker
Notary Public, State of Connecticut

CERTIFICATE

I, the undersigned, Assistant Secretary of BERKLEY INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the original Power of Attorney; that said Power of Attorney has not been revoked or rescinded and that the authority of the Attorney-in-Fact set forth therein, who executed the bond or undertaking to which this Power of Attorney is attached, is in full force and effect as of this date.

Given under my hand and seal of the Company, this 4th day of January, 2018.

(Seal)

Andrew M. Tuma

INSURANCE CERTIFICATE

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/06/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER		CONTACT NAME: Brenda Kennerly	
Marsh & McLennan Agency LLC		PHONE (A/C, No, Ext): 858-875-3085	FAX (A/C, No): 858-210-3916
Marsh & McLennan Ins. Agency LLC		E-MAIL ADDRESS: Brenda.Kennerly@MarshMMA.com	
PO Box 85638		INSURER(S) AFFORDING COVERAGE	
San Diego, CA 92186		NAIC #	
		INSURER A : Lexington Insurance Company	19437
INSURED		INSURER B : American Zurich Insurance Company	40142
Burrtec Waste Group, Inc.		INSURER C : Zurich American Ins Co of Illinois	27855
9890 Cherry Avenue		INSURER D :	
Fontana, CA 92335		INSURER E :	
		INSURER F :	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ BI/PD Ded:25000 GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	X		023627374	03/01/2018	03/01/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$EXCLUDED PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY ☒ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			BAP014157401	03/01/2018	03/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB ☒ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			021391622	03/01/2018	03/01/2019	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC014157301	03/01/2018	03/01/2019	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Duarte is included as additional insured with respects to General Liability per the attached endorsement(s).

CERTIFICATE HOLDER

CANCELLATION

City of Duarte City Clerk 1600 Huntington Drive Duarte, CA 91010-0000	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Barney & Barney, a Marsh & McLennan Insurance Agency LLC company		NAMED INSURED Burrtec Waste Group, Inc.
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Named Insured Schedule

Burrtec Waste Group, Inc.
Burrtec Waste Industries, Inc.
Agua Mansa MRF, LLC
AVCO Disposal, Inc.
Burr Girls, LLC
Burr Group, LP
Burr Group, Inc
Burr Properties, LLC
Burr Properties, G.P.
Burrline, LLC
Burrtec Environmental, LLC
Burrtec Recovery & Transfer, LLC
Burrtec Waste & Recycling Services, LLC
Burrtec Retirement Savings Plan
Burrtec Waste Industries, Inc. (formerly PSP Waste Services, Inc.)
Burrtec Waste Industries, Inc. DBA: Burbank Recycling
Burrtec Waste Industries, Inc. DBA: Agua Mansa Recycling & Transfer Co.
Burrtec Waste Industries, Inc. DBA: Burrtec Recycling & Transfer Co.
Burrtec Waste Industries, Inc. DBA: Burrtec Recycling Center
Burrtec Waste Industries, Inc. DBA Coachella Valley Compost
Burrtec Waste Industries, Inc. DBA Coachella Valley Transfer Station
Coachella/Indio Waste Transfer Station Joint Powers Authority
Burrtec Waste Industries, Inc. DBA Desert Disposal
Burrtec Waste Industries, Inc. DBA: East Valley Recycling & Transfer
Burrtec Waste Industries, Inc. DBA: Inland Empire Recycling
Burrtec Waste Industries, Inc. DBA: Marks Disposal
Burrtec Waste Industries, Inc. DBA: Tri-Co
Burrtec Waste Industries, Inc. DBA: Tri-County Disposal
Burrtec Waste Industries, Inc. DBA: Trico Disposal
Burrtec Waste Services, LLC
Crestline Disposal
Currans Rubbish Disposal, Inc.
E. Cole Burr, individually
E. Cole Burr, Trustee of the Burr Family Trust
EDCO Disposal
Edward G. Burr
Sandra L. Burr
Cole Burr
Tracy A. Burr
Burr Properties
Empire Disposal, LLC
Fontana Rubbish Collectors, Inc.



ADDITIONAL REMARKS SCHEDULE

AGENCY Barney & Barney, a Marsh & McLennan Insurance Agency LLC company		NAMED INSURED Burrtec Waste Group, Inc.
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Inland BioEnergy, LLC
Jack's Disposal, Inc. DBA Yukon Disposal
Jack's Disposal, Inc.
Kaiser Recycling Corporation
KGB Properties, LLC (formerly Burr Girls, LLC
Lake Arrowhead Disposal
Lucerne Valley Disposal
Monte Vista Disposal , Inc.
Mountian Disposal Services, Inc.
Rancho Disposal Service, Inc.
Rialto Services, Inc.
Running Springs Disposal
TEMEC Maintenance Enterprise, Inc.
Tracey A. Burr
Tracey A. Burr
Tri-County Disposal, Inc.
Tri-County Disposal, Inc. DBA: Gary's Disposal
Victorville Disposal, Inc.
West Valley MRF, LLC
West Valley Recycling and Transfer, Inc.
Yucaipa Disposal, Inc.
Desert Properties, LLC
Burr Family Trust
Yukon Disposal

INSURED: Burrtec Waste Group, Inc.

POLICY #: 023627374

POLICY PERIOD: 03/01/2018

TO 03/01/2019

PRIMARY/NON CONTRIBUTORY ENDORSEMENT

This endorsement modifies insurance provided by the policy:

Notwithstanding any other provision of the policy to the contrary, the insurance afforded by this policy for the benefit of the Additional Insured shall be primary insurance, but only with respect to any claim, loss or liability arising out of the Named Insured's operations; and any insurance maintained by the Additional Insured shall be non-contributing.

All other terms and conditions of the policy remain the same.

ENDORSEMENT

LEXINGTON INSURANCE COMPANY

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS-PERSON OR ORGANIZATION

(Based on CG2010 04/13)

This endorsement modifies insurance provided by the following:

COMMERCIAL GENERAL LIABILITY POLICY**SCHEDULE****Name of Additional Insured Person(s)
or Organization(s)****Location of Covered Operations**

As required by written contract executed by both parties prior to loss

Information required to complete this Schedule, if not shown above, will be shown in the Declarations

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions or
 2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations

All other terms and conditions of the policy remain the same.



Authorized Representative

INSURED: Burrtec Waste Group, Inc.

POLICY#: 023627374

POLICY PERIOD: 03/01/2018

TO: 03/01/2019

ENDORSEMENT

LEXINGTON INSURANCE COMPANY

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS- COMPLETED OPERATIONS

(Based on CG2037 04/13)

This endorsement modifies insurance provided by the following:

COMMERCIAL GENERAL LIABILITY POLICY

SCHEDULE

**Name of Additional Insured Person(s)
or Organization(s)**

Location of Completed Operations

As required by written contract executed by both parties prior to loss.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations

- A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations

All other terms and conditions of the policy remain the same.



Authorized Representative

ENDORSEMENT

LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT

- A. Section II - Who Is An Insured** is amended to include any person or organization you are required to include as an additional insured on this policy by a written contract or written agreement in effect during this policy period and executed prior to the "occurrence" of the "bodily injury" or "property damage."
- B.** The insurance provided to the above described additional insured under this endorsement is limited as follows:
1. **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** (Section I - Coverages) only.
 2. The person or organization is only an additional insured with respect to liability arising out of "your work" or "your product" for that additional insured.
 3. In the event that the Limits of Insurance provided by this policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance stated in the Declarations under Item 3. Limits of Insurance pertaining to the coverage provided herein.
 4. The insurance provided to such an additional insured does not apply to "bodily injury" or "property damage" arising out of an architect's, engineer's or surveyor's rendering of or failure to render any professional services including:
 - i The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - ii Supervisory, inspection, architectural or engineering activities.
 5. This insurance does not apply to "bodily injury" or "property damage" arising out of "your work" or "your product" included in the "products-completed operations hazard" unless you are required to provide such coverage by written contract or written agreement and then only for the period of time required by the written contract or written agreement and in no event beyond the expiration date of the policy.

6. Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance apply on a primary or non-contributory basis.
- C. Subparagraph (1)(a) of the Pollution exclusion paragraph 2.f., Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) does not apply to you if the "bodily injury" or "property damage" arises out of "your work" or "your product" performed on premises which are owned or rented by the additional insured at the time "your work" or "your product" is performed.
- D. In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give us prompt notice of any "occurrence" which may result in a claim, forward all legal papers to us, cooperate in the defense of any actions, and otherwise comply with all of the policy's terms and conditions.



Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT

LEXINGTON INSURANCE COMPANY

**AGGREGATE LIMITS OF INSURANCE - PER LOCATION AMENDMENT AND
OVERALL GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the policy:

Subject to the Overall General Aggregate Limit stated in Item 3 of the Declarations, the General Aggregate Limit under LIMITS OF INSURANCE (Section III) applies separately to each of your "locations".

It is further understood and agreed that the following changes are made to the policy:

- (1) Item 3, Limits of Insurance in the Declarations is amended by the addition thereto of the following Limit:

Overall General Aggregate Limit - \$5,000,000

- (2) SECTION III-LIMITS OF INSURANCE is amended by the addition thereto of the following paragraph under paragraph 6.

7. The Overall General Aggregate Limit is the most we will pay under Coverages A and B for the sum of all Limits of Insurance as provided in this SECTION III regardless of the number of your "locations"; except for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

For the purpose of this endorsement, "locations" means premises involving the same lot, or connecting lots or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

All other terms and conditions remain unchanged.



**Authorized Representative OR
Countersignature (In states where applicable)**

WASTE GENERATION AND DIVERSION REPORT

BURRTEC WASTE SERVICES
CITY OF DUARTE

Program Code	Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Y-T-D
Refuse														
	Residential Refuse	447.78	396.78	492.83	438.76	427.01	441.33	418.65	455.48	412.66	404.78	444.54	413.67	5,194.27
	Residential Bulky Items	6.24	7.57	9.07	6.27	12.09	11.27	6.75	14.26	8.76	10.00	10.86	14.31	117.45
	Residential Refuse (residue)	27.85	22.22	23.27	19.38	24.03	23.43	21.15	22.93	21.87	21.03	24.76	23.03	274.95
	Clean Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.01	22.46	0.00	0.00	45.47
	Government Refuse													0.00
	School Refuse													0.00
	Residential Bin Refuse	7.48	6.35	6.86	6.03	7.19	6.60	6.28	6.96	6.29	6.48	6.29	6.37	79.18
	Residential Bin Refuse (residue)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Multi-Family Refuse	188.55	159.68	172.39	151.25	180.27	165.81	168.94	186.76	169.72	163.08	158.23	160.50	2,025.18
	Multi-Family Refuse (residue)	3.81	2.59	2.34	1.96	2.38	2.60	2.21	2.35	2.46	2.23	2.36	2.33	29.62
	Commercial Refuse	329.31	280.16	302.74	264.28	314.90	288.82	304.56	338.19	304.97	286.92	278.95	281.11	3,574.91
	Roll-off Refuse	254.42	200.77	225.46	190.23	195.99	216.94	197.67	241.35	249.50	277.15	231.50	271.42	2,752.40
	Commercial Refuse (residue)	4.70	3.57	3.07	2.76	3.28	3.58	3.86	4.11	4.31	4.46	4.73	4.67	47.10
	Roll-off Refuse (residue)	0.00	0.00	0.00	0.00	0.00	19.94	4.14	9.29	5.35	4.86	14.62	5.24	63.44
Refuse Totals		1,270.14	1,079.69	1,238.03	1,080.92	1,167.14	1,180.32	1,134.21	1,281.68	1,208.90	1,203.45	1,176.84	1,182.65	14,203.97
Source Reduction														
1000-SR-XGC	Xeriscaping, Grasscycling													0.00
1010-SR-BCM	Backyard Composting													0.00
1020-SR-BWR	Business Source Reduction													0.00
1030-SR-PMT	Procurement													0.00
1040-SR-SCH	School Source Reduction													0.00
1050-SR-GOV	Government Source Reduction													0.00
1060-SR-MTE	Material Exchange, Thrift Shops													0.00
1070-SR-OTH	Other Source Reduction													0.00
Source Reduction Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recycling (Net of Residue)														
2000-RC-CRB	Residential Curbside Recycling	110.02	87.76	91.93	75.15	93.17	90.87	81.51	88.40	84.29	79.11	93.16	86.65	1,062.02
2010-RC-DRP	Residential Drop-Off Recycling													0.00
2020-RC-BYB	Residential Buy-Back Centers													0.00
2030-RC-OSP	Commercial On-Site Pickup	33.62	24.33	21.37	18.29	21.96	23.94	23.84	25.89	28.89	25.15	28.11	27.66	303.05
2040-RC-SFC	Commercial Self Haul Recycling													0.00
2050-RC-SCH	School Recycling													0.00
2060-RC-GOV	Government Recycling													0.00
2070-RC-SNL	Special Collection - Seasonal	13.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.13	18.97
2080-RC-SPE	Special Collection - Events													0.00
2090-RC-OTH	Other Recycling-Pre Sorted Roll-off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.21	0.00	1.21
Recycling Totals		157.48	112.09	113.30	93.44	115.13	114.81	105.35	114.29	113.18	104.26	122.48	119.44	1,385.25
Composting														
3000-CM-RCG	Residential Curbside Greenwaste	177.73	203.45	283.62	209.28	240.42	228.00	222.96	249.53	232.86	190.45	206.05	179.11	2,623.46
3010-CM-RSG	Residential Self Haul Greenwaste													0.00
3020-CM-COG	Commercial On-Site Greenwaste	20.05	7.44	7.62	7.55	7.16	11.05	8.42	8.38	9.35	8.48	13.20	12.00	120.70
3030-CM-CSG	Commercial Self Haul Greenwaste													0.00
3040-CM-FWC	Food Waste Composting													0.00
3050-CM-SCH	School Composting													0.00
3060-CM-GOV	Government Composting													0.00
3070-CM-OTH	Other Composting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Composting Totals		197.78	210.89	291.24	216.83	247.58	239.05	231.38	257.91	242.21	198.93	219.25	191.11	2,744.16
Special Waste														
4000-SP-ASH	Ash													0.00
4010-SP-SLG	Sludge (sewage industrial)													0.00
4020-SP-TRS	Tires	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.02	0.02	0.00	0.00	0.06
4030-SP-WHG	White Goods	0.00	1.17	1.08	2.06	2.25	2.07	0.00	3.78	2.24	0.00	0.00	0.00	14.65
4040-SP-SCM	Scrap Metal	0.10	0.00	0.00	0.00	0.00	0.47	0.86	0.67	1.98	0.86	3.96	1.09	9.99
4050-SP-WDW	Wood Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4060-SP-CAR	Concrete/Asphalt/Rubble	18.45	0.00	22.52	72.09	41.53	38.64	19.50	0.00	36.95	62.73	84.26	0.00	396.67
4070-SP-DSD	Disaster Debris													0.00
4080-SP-SGL	Shingles													0.00
4090-SP-RND	Rendering													0.00
4100-SP-OTH	Other Special Waste	0.00	0.00	0.00	4.99	0.00	75.61	15.95	33.53	18.03	29.06	60.10	17.64	254.91
Special Waste Totals		18.55	1.17	23.60	79.14	43.78	116.79	36.33	37.98	59.22	92.67	148.32	18.73	676.28
Public Education & Outreach														
5000-ED-ELC	Electronic (radio, TV, WWW, Hotlines)													0.00
5010-ED-PRN	Printed Media													0.00
5020-ED-OUT	Outreach (workshops, fairs, field trips)													0.00
5030-ED-SCH														0.00
5040-ED-OTH	Other Public Education													0.00
Public Education & Outreach Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Policy Incentives														
6000-PI-PLB	Product & Landfill Bans													0.00
6010-PI-EIN	Economic Incentives													0.00
6020-PI-ORD	Ordinances													0.00
6030-PI-OTH	Other Policy Incentives													0.00
Public Education Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Recovery														
7000-FR-MRF	Material Recovery Facility	0.00	0.00	0.00	0.00	0.00	0.00	3.87	0.00	0.00	0.00	0.00	0.00	3.87
7010-FR-LAN	Landfill													0.00
7020-FR-TST	Transfer Station													0.00
7030-FR-CMF	Composting Facility													0.00
7040-FR-ADC	Alternate Daily Cover													0.00
7050-FR-OTH	Other Facility Recovery													0.00
Facility Recovery Totals		0.00	0.00	0.00	0.00	0.00	0.00	3.87	0.00	0.00	0.00	0.00	0.00	3.87

BURRTEC WASTE SERVICES
CITY OF DUARTE

Program Code	Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Y-T-D
Transformation														
8000-TR-WTE	Waste-to-Energy													0.00
8010-TR-WDW	Biomass (wood waste)													0.00
8020-TR-TRS	Tires													0.00
8030-TR-OTH	Other Transformation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformation Totals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Household Hazardous Waste														
9000-HH-PMF	Permanent Facility													0.00
9010-HH-MPC	Mobile/Periodic Facility													0.00
9020-HH-CSC	Curbside Collection													0.00
9030-HH-WSE	Waste Exchange													0.00
9040-HH-EDP	Educational Programs													0.00
9045-HH-EWA	Electronic Waste	0.09	0.41	0.66	0.59	0.73	0.50	0.22	0.50	0.31	0.63	0.60	0.69	5.93
9050-HH-OTH	Other Household Hazardous Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HHW Totals		0.09	0.41	0.66	0.59	0.73	0.50	0.22	0.50	0.31	0.63	0.60	0.69	5.93
All Programs Total		373.90	324.56	428.80	390.00	407.22	471.15	377.15	410.68	414.92	396.49	490.65	329.97	4,815.49
Total Refuse		1,270.14	1,079.69	1,238.03	1,080.92	1,167.14	1,180.32	1,134.21	1,281.68	1,208.90	1,203.45	1,176.84	1,182.65	14,203.97
Total Tonnages Generated		1,644.04	1,404.25	1,666.83	1,470.92	1,574.36	1,651.47	1,511.36	1,692.36	1,623.82	1,599.94	1,667.49	1,512.62	19,019.46
Multi Family Net Diverted Tonnage														
2030-RC-OSP	Multi Family Curbside Recycling	15.04	10.22	9.24	7.61	9.25	10.07	8.50	9.05	9.50	8.38	8.89	8.78	114.53
3020-CM-COG	Multi Family Curbside Greenwaste	4.58	3.72	3.81	3.37	3.58	3.70	3.83	3.81	4.25	4.24	6.60	6.00	51.49
8030-TR-OTH	Other Transformation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residential Bin Net Diverted Tonnage														
8030-TR-OTH	Other Transformation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

OSHA FORM 300A
SUMMARY OF WORK-RELATED INJURIES & ILLNESSES

Summary of Work-Related Injuries and Illnesses



Year: 2017

All establishments covered by CCR Title 8 Section 14300 must complete this Annual Summary, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the Cal/ OSHA Form 300 in its entirety. They also have limited access to the Cal/ OSHA Form 301 or its equivalent. See CCR Title 8 Section 14300.35, in Cal/ OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0 (G)	1 (H)	3 (I)	0 (J)

64

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
14 (K)	0 (L)

Injury and Illness Types

Total number of...
(M)

(1) Injuries	4	(4) Poisonings	1
(2) Skin Disorders	0	(5) Hearing loss	0
(3) Respiratory Conditions	0	(6) All other illnesses	0

Post this Annual Summary from February 1 to April 30 of the year following the year covered by the form.

Facility Information

Establishment name: Burrtec Waste Services

Street 1017 W. Gladstone St

City Azusa State CA ZIP 91702

Industry description: Waste & Recycling Haulers

Standard Industrial Classification (SIC)

If known (e.g., SIC 3715)

4953

Employment Information

(If you don't have these figures, use the optional Worksheet to estimate)

Annual average number of employees

50

Total hours worked by all employees last year

113782.13

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Octavio Camacho
Company executive

Division Manager
Title

800 - 325-5346

1/1/2017

Phone

Date

MOTOR CARRIER SAFETY COMPLIANCE REPORT /
CHP TERMINAL RECORD UPDATE

**SAFETY COMPLIANCE REPORT/
TERMINAL RECORD UPDATE**

CHP 343 (Rev 12-17) OPI 062

NEW TERMINAL INFORMATION ☒ Yes ☐ No		CA NUMBER 195546	FILE CODE NUMBER 272909	COUNTY CODE 19	SED
TERMINAL TYPE ☒ Truck ☐ Bus ☐ Mod Limo		CODE 1	OTHER PROGRAM(S)	LOCATION CODE 525	SUBAREA S34

CARRIER LEGAL NAME BURRTEC WASTE SERVICES LLC	TERMINAL NAME (IF DIFFERENT)	TELEPHONE NUMBER (W/AREA CODE) (800) 325-9417
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TERMINAL STREET ADDRESS (NUMBER, STREET, CITY, ZIP CODE)
1017 GLADSTONE AVE AZUSA, CA 91702

MAILING ADDRESS (NUMBER, STREET, CITY, STATE, ZIP CODE) (IF DIFFERENT FROM ABOVE)
9890 CHERRY AVE FONTANA, CA 92335

INSPECTION LOCATION (NUMBER, STREET, CITY OR COUNTY)
Same.

LICENSE, FLEET AND TERMINAL INFORMATION

HM LIC. NO.	HWT. REG. NO.	IMS LIC. NO.	TRUCKS AND TYPES 16S	TRAILERS AND TYPES	PASS VEH BY TYPE I II Mod Limo	DRIVERS 13	BIT FLEET SIZE Powered 16 Towed 0
EXP. DATE	EXP. DATE	EXP. DATE	REG. CT	HW VEH.	HW CONT.	PPB / CSAT ☐ Yes ☒ No ☐ N/A	
TERMINALS IDENTIFIED IN SECTION 34515(b) CVC ☐ Yes ☒ No			FILE CODE NUMBERS OF TERMINALS INCLUDED IN INSPECTION AS A RESULT OF SECTION 34515(b) CVC				

EMERGENCY CONTACTS (In Calling Order of Preference)

EMERGENCY CONTACT (NAME) OCTAVIO CAMACHO	DAY TELEPHONE NO. (W/AREA CODE) (626) 327-5346	NIGHT TELEPHONE NO. (W/AREA CODE) (626) 327-5346
EMERGENCY CONTACT (NAME) AGUSTIN ROMERO	DAY TELEPHONE NO. (W/AREA CODE) (626) 222-1667	NIGHT TELEPHONE NO. (W/AREA CODE)

ESTIMATED CALIFORNIA MILEAGE FOR THIS TERMINAL LAST YEAR [2017]

A ☐ UNDER 15,000	B ☐ 15,001 — 50,000	C ☐ 50,001 — 100,000	D ☒ 100,001 — 500,000	E ☐ 500,001 — 1,000,000	F ☐ 1,000,001 — 2,000,000	G ☐ 2,000,001 — 5,000,000	H ☐ 5,000,001 — 10,000,000	I ☐ MORE THAN 10,000,000
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OPERATING AUTHORITIES OR PERMITS

PUC ☐ T ☐ TCP ☐ PSC	MOTOR CARRIER OF PROPERTY PERMIT ACTIVE ☒ Yes ☐ No ☐ N/A	IMS FITNESS EVALUATION ☐ Yes ☒ No
USDOT 2327655	MC ☐ MX ☐	REASON FOR INSPECTION CPSS list

INSPECTION FINDINGS INSPECTION RATINGS: S = Satisfactory U = Unsatisfactory C = Conditional UR = Unrated N/A = Not Applicable

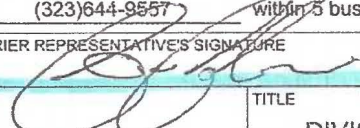
REQUIREMENTS	VIOL	MAINTENANCE PROGRAM	DRIVER RECORDS	REG. EQUIPMENT	HAZARDOUS MATERIALS	TERMINAL
MAINTENANCE PROGRAM	1	1 S 2 S 3 S 4 S	1 S 2 S 3 S 4 S	1 S 2 S 3 S 4 S	1 2 3 4	1 S 2 S 3 S 4 S
DRIVER RECORDS		No. 6 Time 3.0	No. 10 Time 5.0	No. 6 Time 5.0	TIME	TOTAL TIME 13.0
DRIVER HOURS		HAZARDOUS MATERIALS ☒ No H/M Transported ☐ No H/M violations noted	CONTAINERS/TANKS No. Time	VEHICLES PLACED OUT-OF-SERVICE Vehicles 1 Units		
BRAKES	1	REMARKS				
LAMPS & SIGNALS	1					
CONNECTING DEVICES						
STEERING & SUSPENSION	2					
TIRES & WHEELS						
EQUIPMENT REQUIREMENTS	6					
CONTAINERS & TANKS						
HAZARDOUS MATERIALS						

INSPECTION TYPE ☒ I ☐ R	NON-BIT ☐	CPSS ☒ Yes ☐ No	CHP 345 ☐	CHP 100D COL. 2,3	INSPECTION DATE(S) 04/17/18 & 04/18/18	TIME IN 0700	TIME OUT 1100
---	-------------------------------------	---	-------------------------------------	----------------------	---	-----------------	------------------

INSPECTED BY (NAME(S)) MCS I E. MERCADO	ID NUMBER(S) A15760	SUSPENSE DATE ☒ Auto ☐ None
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MOTOR CARRIER CERTIFICATION

I hereby certify that all violations described hereon and recorded on the attached pages (2 through 14), will be corrected in accordance with applicable provisions of the California Vehicle Code and the California Code of Regulations. I understand that I may request a review of an unsatisfactory rating by contacting the Motor Carrier Safety Unit Supervisor at (323)644-9557 within 5 business days of the rating.

CURRENT TERMINAL RATING SATISFACTORY	CARRIER REPRESENTATIVE'S SIGNATURE 	DATE 4/18/2018
CARRIER REPRESENTATIVE'S PRINTED NAME OCTAVIO CAMACHO	TITLE DIVISION MANAGER	DRIVER LICENSE NUMBER STATE

COMMUNITY CLEAN-UPS

City of Duarte Clean Up Event summary April 2017

Date	Trash			Recycling			E-Waste		
	Tons	Facility	Routes	Recovered	Tons	Facility	Routes	Facility	Routes
04/08/17	38.54	Azs Trnsf	9001-9002	Trash	-	N/A	N/A	E-Recycling	9001-9002
04/08/17	7.58	Azs/Land Recla	9001-9002	Mix Concrete	-	N/A	N/A		
				-	-	N/A	N/A		
				-	-	N/A	N/A		
				-	-	N/A	N/A		
				-	-	N/A	N/A		
Totals	46.12			46.12	-			4.79	-

Date	Scrap Metal			GreenWaste			Tires		
	Tons	Facility	Routes	Recovered	Tons	Facility	Routes	Facility	Routes
04/08/17	4.36	SA Recycle	9001-9002	Scrap Metal	-	N/A	N/A		
					-	N/A	N/A		
					-	N/A	N/A		
					-	N/A	N/A		
					-	N/A	N/A		
					-	N/A	N/A		
Totals	4.36			4.36	-			-	-

White Goods	Total #	E-Waste Goods	Total #	Electric Goods	Total #	Bulky / Mixed	Total #
Refrigerators		TVs		Printers		Chairs/Tables/Doors	
Stoves		Monitors		PC Towers		Sofas	
Washer		VCR'S / DVD'S		Vacuums		Mattresses	
Dryers		Stereos		Microwaves		Toilets	
Water Heater		Speakers		Fans		Tires	
Total	-	Total	-	Total	-	Total	-
Total Tonnage Recovered Percentage							
BULKY ITEMS	TRASH		46.12	83.44%			
	RECYCLING		-	0.00%			
	E-WASTE		4.79	8.67%			
	SCRAP METAL		4.36	7.89%			
	GREENWASTE		-	0.00%			
	TIRES			0.00%			
	TOTAL		50.48	91.33%			

Total Loads		4
Total Tons Collected		55.27
Total Tons Diverted		4.36
Diversion Percentage		7.89%

* Please insert here additional rows specific to material type as needed

White Goods / Scrap Metal: Bike part, bars, rims, rebar, scrap steel, water heater, fenders, dryers, hoods, small metal parts, etc.

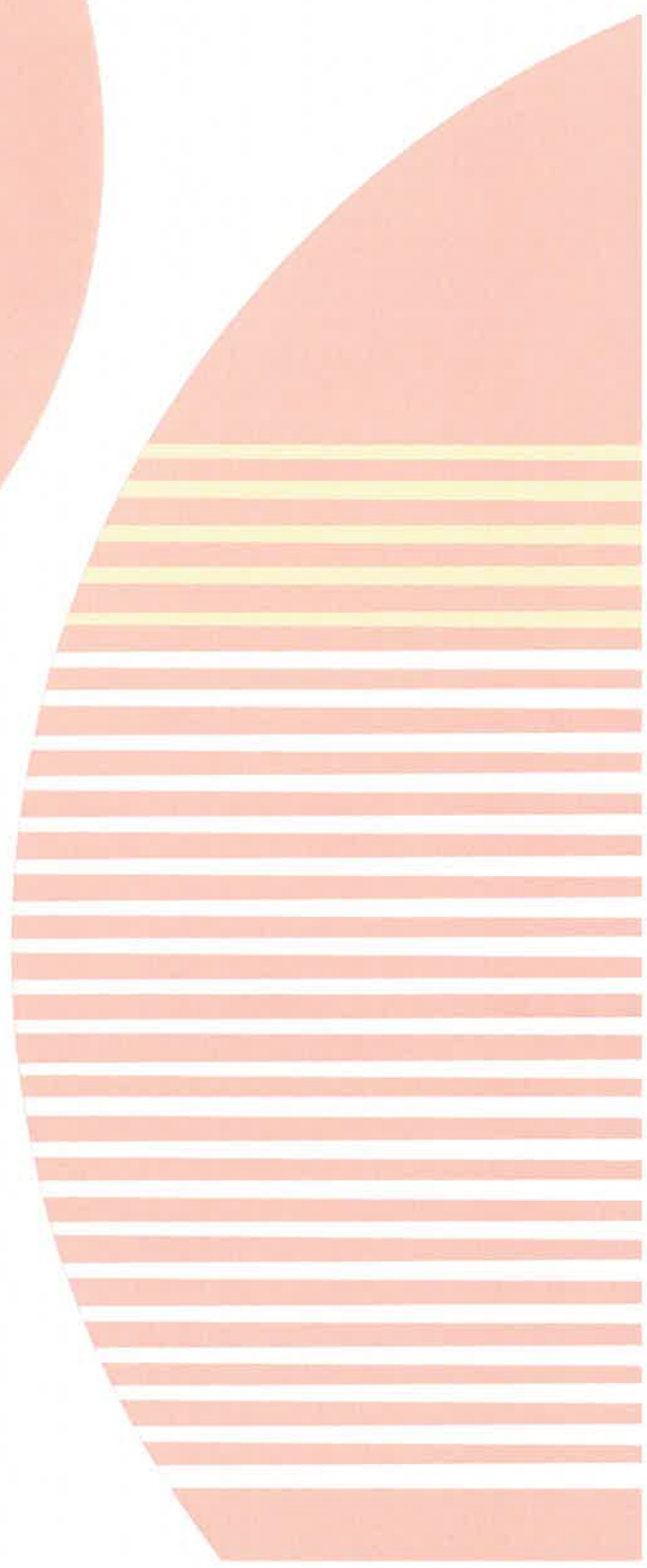
E-Waste Goods: TV's, computers, monitors, stereos, etc.

Electric Goods: Microwaves, vacuum cleaners, fans, etc.

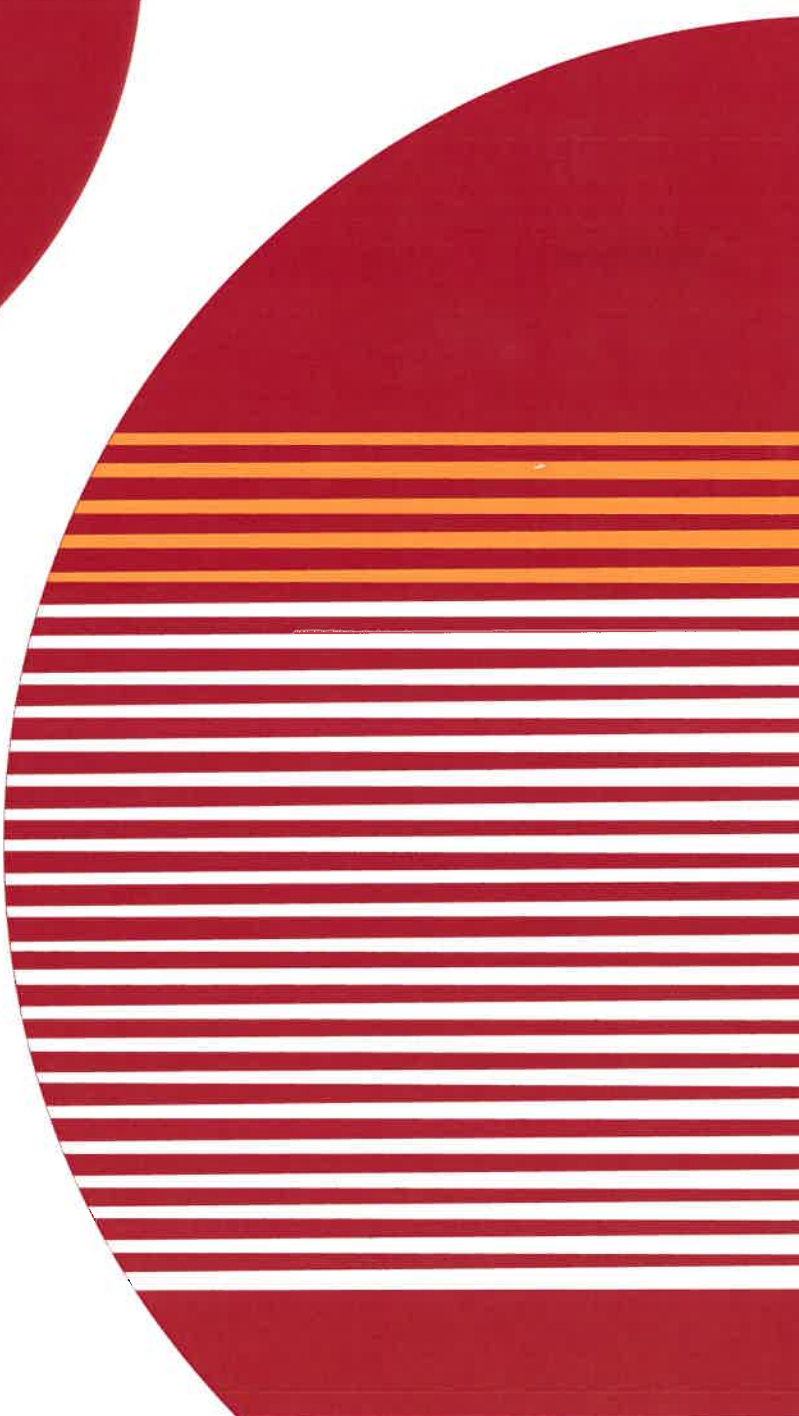
Bulky / Mixed Items Included: Sofas, mattresses, tires, propane tanks, large plastic items, etc.

Scavengers Update:

Comments:



"You'll Take Care of It"



‘We’ll Take Care of It’

BURRTEC

9890 Cherry Ave., Fontana, CA 92335
(909) 429-4200

DUARTE CITY COUNCIL – INTERGOVERNMENTAL ORGANIZATIONS

AREA “D” EMERGENCY SERVICES

City Manager *Representative*
Full Council *Alternates*

CALIFORNIA CONTRACT CITIES

Liz Reilly *Delegate*
Margaret Finlay *Alternate*
3rd Wednesday - 7:00 p.m.

CITY SELECTION COMMITTEE (COUNTY)

John Fasana *Delegate*
Full Council *Alternates*
3 or 4 times a year, at the call of the Chairman

COMMUNITY EDUCATION COUNCIL

Tzeitel Paras-Caracci *Representative*
Samuel Kang *Alternate*
TBD

DUARTE COMMUNITY SERVICE COUNCIL

Tzeitel Paras-Caracci *Representative*
John Fasana *Alternate*
TBD

DUARTE EDUCATION FOUNDATION

Margaret Finlay *Representative*
Liz Reilly *Alternate*
1st Monday - 5:30 p.m.

FOOTHILL EMPLOYMENT AND TRAINING CONSORTIUM

John Fasana *Delegate*
Samuel Kang *Alternate*

FOOTHILL TRANSIT – \$150/mtg (4/yr)

Tzeitel Paras-Caracci *Delegate*
Samuel Kang *Alternate*

GOLD LINE PHASE II JPA – \$100/mtg (1/mo)

Liz Reilly *Delegate*
Tzeitel Paras-Caracci *Alternate*
2nd Thursday/month – 11:30 a.m.

JOINT POWERS INSURANCE AUTHORITY

Margaret Finlay *Director*
City Manager/Full Council *Alternates*
Annual Meeting – July

LEAGUE OF CALIFORNIA CITIES

Samuel Kang *Delegate*
Full Council *Alternates*
1st Thursday - 7:00 p.m.

SGV COUNCIL OF GOVERNMENTS - \$50/mo

John Fasana *Governing Board Rep.*
Margaret Finlay *Alt. Governing Board Rep.*
3rd Thursday - 6:00 p.m.

SGV ECONOMIC PARTNERSHIP

Samuel Kang *Representative*
Tzeitel Paras-Caracci *Alternate*
2nd Tuesday of odd months – 12:00 noon

SGV VECTOR CONTROL DISTRICT - \$100/mo

Margaret Finlay *Representative*
2nd Friday – 7:00 a.m.

SANITATION DISTRICTS #15 AND #22 - \$250/mo

John Fasana *Director*
Margaret Finlay *Alternate*
4th Wednesday - 1:30 p.m.

SO. CAL. ASSOCIATION OF GOVERNMENTS

Margaret Finlay *Representative*
Full Council *Alternates*
Annual Meeting - April

***Note: Compensated positions
are shown in boxes**

Updated: December 12, 2017

MEMORANDUM

TO: Darrell J George, City Manager

FROM: Kristen Petersen, Assistant City Manager

DATE: November 29, 2018

SUBJECT: AUDITED FINANCIAL STATEMENTS – FISCAL YEAR 2017/18

Background

After the end of each fiscal year, an independent accounting firm is used to conduct a financial audit of the City of Duarte, the Housing Authority and the Successor Agency of the former Redevelopment Agency. On March 14, 2017, the City Council selected the auditing firm of Moss Levy and Hartzheim and this is their second year of conducting our independent audit.

Copies of the City financial statements for the fiscal year ended June 30, 2018 are attached. The auditor found them to be prepared in accordance with generally accepted accounting principles and to fairly present the financial position of the City. There were no major findings or deficiencies.

The original 2017/18 General Fund budget was adopted in June 2017 with a \$559,000 deficit. At the mid-year review in February 2018, the proceeds of \$1.9 million for the Third Street property were received, other revenues were expected to increase by \$336,000 and expenses were expected to increase by \$1 million. When combined with other changes to the budget, we projected a cash surplus of \$661,000 and an ending fund balance of \$5.7 million. Since that time, FEMA paid out the long-awaited Winter Storm reimbursement of \$250,000, \$196,000 in City of Hope EIR expense reimbursements were received, plan check fees came in \$199,000 higher than projected and expenses in almost every department were slightly under budget, resulting in a 1.3% or \$230,000 savings. With the combination of these changes in activity, the City ended the fiscal year with a General Fund cash surplus of \$1.5 million, leaving the City with available General Fund cash of \$6.5 million.

The situation has improved since mid-year review largely because of the increased revenues mentioned above. However, there were other changes that impacted the final outcome of the City's cash balances that are worth mentioning. For example, property tax came in 3% or \$56,000 higher and parking citations came in \$47,000 higher than midyear projections. On the other side, building permit revenue came in \$76,000 lower than projected at mid year and for the second year in a row sales tax revenue did not increase. On the expense side of the formula, legal services came in \$32,000 higher than mid year projections due to the continuation of the NPDES litigation. Building

Darrell J. George, City Manager

November 29, 2018

Page 2

department services and community development professional services came in \$166,000 higher than projected at mid year, largely due to the increased activity around the City of Hope EIR project. These increases was more than balanced out by the fact that every other department came in under budget, including the Lighting and Landscape fund, which required a subsidy of \$70,000 less than originally projected at midyear due to reduced expenses.

Please note that staff will be bringing the midyear budget for 2018/19 before City Council in February. We will discuss and analyze the fund balance more at that time, because the 2017/18 ending fund balance will serve as a primary part of the 2018/19 mid-year analysis. We will also be presenting the impact of the continuing NPDES litigation and the various projects approved by Council since June 2018, when the original 2018/19 budget was adopted and decide how priorities will be established and decisions will be made on the feasibility and timing of future projects.

Recommendation

It is recommended that the City Council receive and file the audited financial statements for the fiscal year ended June 30, 2018.

CITY OF DUARTE, CALIFORNIA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by:
Finance Department

CITY OF DUARTE
For the Fiscal Year Ended June 30, 2018

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CITY OF DUARTE
For the Fiscal Year Ended June 30, 2018

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FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Duarte, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Duarte, California (City), as of and for the fiscal year ended June 30, 2018, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information for the General Fund, the budgetary comparison information for the Housing Authority Special Revenue Fund, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions on pages 5 through 9 and 53 through 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, and major capital projects and debt service fund budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, 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 the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Moss, Levy & Hartzheim".

Moss, Levy & Hartzheim, LLP
Culver City, California
December 3, 2018

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**City of Duarte
Management's Discussion and Analysis
Year Ended June 30, 2018**

This discussion and analysis is intended to provide readers with a narrative overview of the City of Duarte's (City's) financial activities for the fiscal year ended June 30, 2018. This information should be considered in conjunction with the accompanying financial statements and the notes to those statements.

Financial Highlights

- At the close of the fiscal year, the City's assets exceeded its liabilities by \$63,281,154 (net position). A significant part of assets is the estimated value of infrastructure, which has been capitalized in accordance with the requirements of GASB 34.
- During the year, program expenses exceeded taxes and other revenues received by the City and the City's net position reflects a decrease of \$1,870,964.
- The City's governmental funds had ending fund balances of \$26,402,031, which is an increase of \$2,395,963 over the prior year fund balance of \$24,006,068. This increase took place within the General Fund due to the sale of the Third Street property and the resulting increased revenues. The increase also took place in the Capital Improvement Fund due to the completion of the Duarte Road project and ATP reimbursements that came in.
- This year, the City's General Fund experienced a net change in Fund Balance of \$560,695. As mentioned earlier, the Third Street Property sold, resulting in \$1.9 million in new one time revenue. Plan check fees came in approximately \$200,000 over the midyear estimate. FEMA payments of \$250,000 were received and General Fund expenses came in \$230,000 lower than projected at midyear. In addition, a loan repayment from the Successor Agency to the General Fund of \$967,000 was paid, resulting in an actual cash surplus in the General Fund of \$1.5 million.
- The City's debt decreased by \$40,523 during the fiscal year to \$1,937,287 mostly due to the retirement of debt on the 2013 Certificates of Participation.
- At June 30, 2018, the City reported a net pension liability of \$14,098,986 and related deferred outflows of \$4,387,375 and deferred inflows of \$388,494. See Note #10 for further details.
- The City implemented GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions during the fiscal year which restated opening net position from \$69,457,888 to \$65,152,118. Please see Note #1 for further details. At June 30, 2018, the City reported a net postemployment liability of \$4,755,416 and related deferred outflows of \$754,519 and deferred inflows of \$17,255. See Note #11 for further details.

Overview of the Basic Financial Statements

The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. In addition, required supplementary information is provided relating to the City's budgets for major funds.

Government-wide Financial Statements

The government-wide financial statements are found on pages 11 and 12 of this report. They are designed to give readers an overview of the City's financial position. These statements include all of the City's assets and liabilities, using the full accrual basis of accounting, which is similar to accounting methods used by most private sector companies. All of a fiscal year's revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, assets, liabilities, and expenses are reported in these statements for some transactions that will result in cash flow in future fiscal periods.

The "Statement of Net Position" presents all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator for determining whether the financial position of the City is improving or deteriorating.

The "Statement of Activities" presents information showing the City's revenues and expenses for the fiscal year. Functional activities are identified in this statement; whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

The government-wide financial statements encompass the activities of four different legal entities: the City of Duarte, the Duarte Housing Authority, the Duarte Community Facilities Financing Authority and the Duarte Public Financing Authority. This is in keeping with generally accepted accounting principles, as the City's elected officials have a continuing oversight responsibility for all four entities.

The City of Duarte provides an array of services to the public similar to those of other municipal governments. These include police protection, parks and recreation, planning and development, public works, code enforcement, animal control, transit services, and refuse collection. The Housing Authority is responsible for promoting the development of low and moderate-income housing. The function of both Financing Authorities is to facilitate the issuance of debt by both the City and the Housing Authority.

Fund Financial Statements

The fund financial statements can be found on pages 13 and 15 of this report. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to demonstrate compliance with finance related legal requirements. All of the funds of the City of Duarte can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

The City maintains twenty individual governmental funds. Three of these funds are considered "major" and, according to generally accepted accounting principles, are reported separately in the fund financial statements. The remaining seventeen funds are reported on a consolidated basis.

Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it can be useful to compare the two. Comparisons may give readers a better understanding of the long-term impact of the City's near-term financial decisions. On pages 14 and 16 of this report, statements are provided reconciling the "Governmental Fund Balance Sheet" and the "Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances" to the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Duarte's own programs. The Successor Agency Fund is a fiduciary fund; the City's budget reflects the reimbursement of administrative costs from the Successor Agency. Trust funds are set up to account for the resources held for bond payments and for recording transactions performed by appointed trustees.

Notes to the Basic Financial Statements

This report includes notes to the basic financial statements. They provide additional information that is important to a complete understanding of the data contained in the government-wide and fund financial statements. The notes can be found on pages 19 through 52 of the report.

Government-wide Financial Analysis

The government-wide financial analysis focuses on net position and changes in net position for the City's governmental activities. A summary of net position as of June 30, 2018 is as follows:

Net Position

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2018</u>
Current and other assets	\$ 28,367,617	\$ 29,131,823
Capital assets	<u>54,670,247</u>	<u>52,877,730</u>
Total assets	\$ <u>83,037,864</u>	\$ <u>82,009,553</u>
Deferred Outflows of Resources	\$ <u>4,306,164</u>	\$ <u>5,141,894</u>
Current and other liabilities	\$ 2,753,102	\$ 2,672,855
Long-term debt outstanding	<u>14,653,596</u>	<u>20,791,689</u>
Total liabilities	\$ <u>17,406,698</u>	\$ <u>23,464,544</u>
Deferred Inflows of Resources	\$ <u>479,442</u>	\$ <u>405,749</u>
Net assets (liabilities):		
Net Investment in capital assets	\$ 53,736,874	\$ 52,592,165
Restricted	10,770,951	11,575,987
Unrestricted	<u>4,950,063</u>	<u>(886,998)</u>
Total net position	\$ <u>69,457,888</u>	\$ <u>63,281,154</u>

As discussed earlier in this analysis, net position may serve as an indicator of the City's financial position. At end of the fiscal year 2018, assets exceeded liabilities by \$63,281,154.

The City's primary assets were cash - \$14,836,713, land held for resale - \$6,746,267, amount due from the Successor Agency - \$5,915,569 and capital assets - \$52,877,730. A significant portion of the City's cash is comprised by reserves and special funds for restricted uses. Therefore, much of it is unavailable to pay for current activities. Land held for resale represents the value of properties held by the City and the Housing Authority for future development purposes. The capital assets figure is the estimated book value of all the equipment, land, buildings, and infrastructure owned by the City. It conforms to accounting rules requiring such assets be inventoried, valued, and depreciated.

The City's primary liabilities are its net pension liability - \$14,098,986, its OPEB liability - \$4,755,416 and its long-term bonded indebtedness - \$1,937,287.

A summary of the changes in the City's net position for the year ended June 30, 2018 and 2017 is as follows:

Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$3,053,473	\$ 3,923,188
Operating grants	2,258,647	2,299,602
Capital grants	1,661,287	674,539
General revenues:		
Taxes	8,414,381	8,348,327
Use of money and property	332,872	346,253
Intergovernmental	2,037,016	2,398,817
Miscellaneous	<u>968,898</u>	<u>1,874,200</u>
Total revenues	<u>18,726,574</u>	<u>19,864,926</u>
Expenses:		
General government	5,933,638	4,831,092
Safety	5,386,626	5,733,015
Development	4,744,383	4,460,879
Recreation and culture	3,325,567	3,744,782
Transportation	936,131	2,390,406
Loss on disposal of fixed assets	0	555,748
Interest expense	<u>22,990</u>	<u>19,968</u>
Total expenses	<u>20,349,335</u>	<u>21,735,890</u>
Change in net position	(1,622,761)	(1,870,964)
Net position - beginning of year, as restated	<u>71,080,649</u>	<u>65,152,118</u>
Net position - end of year	<u>\$69,457,888</u>	<u>\$63,281,154</u>

At year-end, the City's net position had decreased by \$1,870,964. A large portion of this decrease was the result of the changes in CalPERS' calculation interpretations and actuarial assumptions resulting in an increase to the net pension liability and the OPEB liability.

City Fund Financial Analysis

The City fund analysis focuses on governmental fund balances and on any restrictions or commitments that limit the availability of fund balances for future use.

As of June 30, 2018, the City's governmental funds had a total ending fund balance of \$26,402,031. This amount represents an increase of \$2,395,963, or 10% as compared to the prior year fund balance of \$24,006,068.

Two of the City's major governmental funds increased their fund balances. As discussed earlier, the increase in the General Fund was largely due to land sale proceeds offset by expenses that were increased at midyear. The Capital Improvement fund increased by \$1.1 million due to the reimbursement of ATP project expenses.

The fund balance of SB1/RMRA, Measure M & R and Gas Tax increased cumulatively by \$800,000 due to the receipt of annual revenues and delayed project expenses. We expect to see a substantial reduction in these fund balances in the current year due to the aggressive public works schedule adopted for 2018/19.

Capital Asset and Debt Administration

Capital Assets

At year-end, the City had \$52.9 million invested in a broad range of capital assets including buildings, parks, streets, sidewalks, traffic signals, sewers, storm drains, curbs and gutters, street lights, vehicles, medians, and other assets. This amount represents an overall decrease (including additions, deductions and depreciation) of \$1.8 million as compared to the prior year largely due to the sale of the Third Street property, which was a City capital asset. Additional information can be found in Note 5.

Debt Administration

At the end of the fiscal year, the City had both bonded and other long-term debt totaling \$1,937,287. A summary of the City's debt activity for the year ended is as follows:

Outstanding Debt at Year-end

	<u>2017</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Certificates of participation	\$ 782,683	\$ 646,705	\$(135,978)
CA Energy Comm Loans	150,690	134,875	(15,815)
Accrued vacation & sick leave	<u>1,044,437</u>	<u>1,155,707</u>	<u>111,270</u>
Total debt	<u>\$ 1,977,810</u>	<u>\$ 1,937,287</u>	<u>(\$40,523)</u>

Additional information about the City's debt may be found in Note 7 to the basic financial statements.

General Fund Budget

The General Fund cash balance will end fiscal year 2017/18 with \$6.5 million, which is approximately \$850,000 higher than projected at midyear. This was the result of a combination of higher than projected revenues and lower than projected expenses. On the revenue side, plan check fees came in \$200,000 higher, City of Hope EIR revenue came in \$196,000 higher and the FEMA reimbursement of \$250,000 came in and was not included in midyear projections. General Fund expenses came in approximately \$230,000 under the midyear estimates, because almost every department spent less than budgeted.

Economic Factors and Next Year's Budget

While this trend towards spending less and collecting more than budgeted is very positive and plan check revenues exceeded projections, it is important to note that sales tax revenue did not grow for the second consecutive year. The City monitors all of these financial aspects and cannot ignore this important economic indicator of a slowing economy. The City is constantly working towards balancing operating expenses with revenues and as a result, we currently find ourselves in a manageable environment. The community continues to see positive signs of progress through the increase of revenues such as plan check fees, but with other revenues flattening out and rising costs, adjustments may need to be considered in the future.

Requests for Information

These financial statements are designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate accountability for the money it receives. If there are questions, or a need for more information, please contact the City of Duarte, 1600 Huntington Drive, Duarte, California, 91010, or call (626) 357-7931.

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CITY OF DUARTE

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and investments	\$ 14,836,713
Receivables:	
Accounts	120,457
Taxes	1,314,719
Accrued interest	41,777
Grants	145,295
Prepaid costs	11,012
Land held for resale	6,746,267
Restricted assets:	
Cash with fiscal agent	14
Due from Successor Agency	5,915,569
Capital assets not being depreciated	21,649,219
Capital assets, net of depreciation	31,228,511
Total Assets	82,009,553
Deferred Outflow of Resources:	
Deferred OPEB related items	754,519
Deferred pension related items	4,387,375
Total Deferred Outflow of Resources	5,141,894
Liabilities:	
Accounts payable	1,375,080
Accrued liabilities	397,886
Accrued interest	5,439
Unearned revenue	700,159
Deposits payable	194,291
Noncurrent liabilities:	
Due within one year	201,246
Due in more than one year	1,736,041
Net OPEB liability	4,755,416
Net pension liability	14,098,986
Total Liabilities	23,464,544
Deferred Inflow of Resources:	
Deferred pension related items	388,494
Deferred OPEB related items	17,255
Total Deferred Inflow of Resources	405,749
Net Position:	
Net investment in capital assets	52,592,165
Restricted for:	
Development projects	4,809,677
Debt service	697,027
Transportation	6,015,262
Recreation and cultural	54,021
Unrestricted	(886,998)
Total Net Position	\$ 63,281,154

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
General government	\$ 4,831,092	\$ 190,264	\$ 605,540	\$ -	\$ (4,035,288)
Safety	5,733,015	287,411	336,460	-	(5,109,144)
Development	4,460,879	3,086,871	784	-	(1,373,224)
Recreation and cultural	3,744,782	358,642	-	14,455	(3,371,685)
Transportation	2,390,406	-	1,356,818	660,084	(373,504)
Loss on disposal of capital assets	555,748	-	-	-	(555,748)
Interest on long-term debt	19,968	-	-	-	(19,968)
Total Governmental Activities	21,735,890	3,923,188	2,299,602	674,539	(14,838,561)
Total Primary Government	\$ 21,735,890	\$ 3,923,188	\$ 2,299,602	\$ 674,539	(14,838,561)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,744,611
Transient occupancy tax					105,329
Sales taxes					5,220,993
Franchise taxes					977,148
Business licenses taxes					300,246
Motor vehicle in lieu - unrestricted					2,398,817
Use of money and property					346,253
Gain on sale of capital assets					1,133,979
Other					740,221
Total general revenue					12,967,597
Change in net position					(1,870,964)
Net position, beginning of fiscal year, as restated					65,152,118
Net position, end of fiscal year					\$ 63,281,154

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Special Revenue Fund Former RDA Low and Moderate Housing	Special Revenue Fund Housing Authority	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled cash and investments	\$ 5,575,930	\$ 933,829	\$ 308,615	\$ 8,018,339	\$ 14,836,713
Receivables:					
Accounts	120,457	-	-	-	120,457
Taxes	1,253,507	-	-	61,212	1,314,719
Accrued interest	41,777	-	-	-	41,777
Grants	14,341	-	-	130,954	145,295
Prepaid costs	11,012	-	-	-	11,012
Due from other funds	1,473,474	-	-	-	1,473,474
Land held for resale	2,497,730	2,860,497	1,388,040	-	6,746,267
Restricted assets:					
Cash and investments - fiscal agents	-	-	-	14	14
Due from Successor Agency	5,915,569	-	-	-	5,915,569
Total assets	\$ 16,903,797	\$ 3,794,326	\$ 1,696,655	\$ 8,210,519	\$ 30,605,297
Liabilities:					
Accounts payable	\$ 1,215,104	\$ -	\$ -	\$ 159,976	\$ 1,375,080
Accrued liabilities	392,927	-	-	4,959	397,886
Unearned revenue	158,962	-	-	541,197	700,159
Deposits payable	194,291	-	-	-	194,291
Due to other funds	-	-	1,388,040	85,434	1,473,474
Total liabilities	1,961,284	-	1,388,040	791,566	4,140,890
Deferred inflows of resources:					
Unavailable revenues	10,825	-	-	51,551	62,376
Total deferred inflows of resources	10,825	-	-	51,551	62,376
Fund balances:					
Nonspendable:					
Prepaid costs	11,012	-	-	-	11,012
Due from Successor Agency	5,915,569	-	-	-	5,915,569
Land held for resale	2,497,730	-	-	-	2,497,730
Restricted for:					
Development projects	-	3,794,326	308,615	706,736	4,809,677
Recreation and culture	-	-	-	54,021	54,021
Transportation	-	-	-	5,963,711	5,963,711
Debt service	-	-	-	702,466	702,466
Committed to:					
Vehicle replacement	165,760	-	-	-	165,760
Unassigned	6,341,617	-	-	(59,532)	6,282,085
Total fund balances	14,931,688	3,794,326	308,615	7,367,402	26,402,031
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,903,797	\$ 3,794,326	\$ 1,696,655	\$ 8,210,519	\$ 30,605,297

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balances of governmental funds	\$	26,402,031
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		52,877,730
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$	(646,705)
CA Energy Commission loan		(134,875)
Compensated absences		<u>(1,155,707)</u>
		(1,937,287)
Other post employment related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as changes to these amounts only effect the government wide statements for governmental activities.		
Deferred outflows of resources		754,519
Deferred inflows of resources		(17,255)
Net OPEB liability		<u>(4,755,416)</u>
		(4,018,152)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(5,439)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		62,376
Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(14,098,986)
Deferred inflows related to pensions:		
Change of Assumptions		(150,641)
Difference between expected and actual experience		(212,196)
Difference in proportionate share		(25,657)
Deferred outflows related to pensions		
Contributions made after the measurement date		1,471,655
Net difference between projects and actual earnings on pension plan investments		446,799
Difference in proportionate share		100,377
Change of Assumptions		1,975,601
Adjustments due to differences in proportions		<u>392,943</u>
Net position of governmental activities	\$	<u><u>63,281,154</u></u>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General	Special Revenue Fund Former RDA Low and Moderate Housing	Special Revenue Fund Housing Authority	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 8,348,327	\$ -	\$ -	\$ -	\$ 8,348,327
Assessments	-	-	-	1,164,967	1,164,967
Licenses and permits	2,088,974	-	-	-	2,088,974
Intergovernmental	3,270,301	-	-	3,360,378	6,630,679
Charges for services	435,056	-	-	29,335	464,391
Use of money and property	2,192,506	-	-	63,827	2,256,333
Fines and forfeitures	333,961	-	-	-	333,961
Miscellaneous	737,501	-	500	2,220	740,221
Total revenues	17,406,626	-	500	4,620,727	22,027,853
Expenditures:					
Current:					
General government	4,438,846	-	-	-	4,438,846
Safety	5,358,482	-	-	214,953	5,573,435
Development	3,145,503	-	23,460	1,011,065	4,180,028
Recreation and cultural	3,105,757	-	-	-	3,105,757
Transportation	-	-	-	1,294,452	1,294,452
Capital outlay	595,696	-	-	270,780	866,476
Debt service:					
Principal retirement	15,815	-	-	135,978	151,793
Interest and fiscal charges	4,401	-	-	16,702	21,103
Total expenditures	16,664,500	-	23,460	2,943,930	19,631,890
Excess (deficiency) of revenues over (under) expenditures	742,126	-	(22,960)	1,676,797	2,395,963
Other financing sources (uses):					
Transfers in	354,307	-	193,400	781,138	1,328,845
Transfers out	(535,738)	-	-	(793,107)	(1,328,845)
Total other financing sources (uses)	(181,431)	-	193,400	(11,969)	-
Net change in fund balances	560,695	-	170,440	1,664,828	2,395,963
Fund balances, beginning of fiscal year	14,370,993	3,794,326	138,175	5,702,574	24,006,068
Fund balances, end of fiscal year	\$ 14,931,688	\$ 3,794,326	\$ 308,615	\$ 7,367,402	\$ 26,402,031

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds		\$ 2,395,963
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay	\$ 866,476	
Additional capitalized items not recorded as capital outlays	384,887	
Depreciation	<u>(1,712,032)</u>	(460,669)
Losses on disposition charged to expense		(555,748)
Cost basis of assets sold		(776,100)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
Principal repayments		151,793
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		1,135
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		(111,270)
Other post employment benefits reported in the governmental funds includes cash payments made into the trust fund and payments on behalf of retirees. In the statement of activities, OPEB expense includes the change in the net OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.		
		121,800
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity		
		(1,386,827)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental funds		
		<u>(1,251,041)</u>
Change in net position of governmental activities		<u>\$ (1,870,964)</u>

CITY OF DUARTE

STATEMENT OF FIDUCIARY NET POSITION (DEFICIT)
 FIDUCIARY FUNDS
 JUNE 30, 2018

	Private-Purpose Trust Fund Successor Agency of the Former RDA
Assets:	
Cash	\$ 4,900,869
Receivables:	
Notes and loans	1,200,000
Land held for resale	1,195,522
Restricted assets:	
Cash and investments with fiscal agents	2,033,217
Total Assets	9,329,608
Deferred Outflow of Resources:	
Deferred charge on debt refunding	670,811
Total Deferred Outflow of Resources	670,811
Liabilities:	
Accounts payable	18,752
Accrued interest	58,250
Long-term liabilities:	
Due in one year	3,028,376
Due in more than one year	8,715,569
Total Liabilities	11,820,947
Net Position (Deficit):	
Net position held in trust for other purposes	(1,820,528)
Total Net Position (Deficit)	\$ (1,820,528)

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (DEFICIT)
 FIDUCIARY FUNDS
 FOR FISCAL YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Fund Successor Agency of the Former RDA
Additions:	
Taxes	\$ 5,117,570
Interest and change in fair value of investments	15,634
Other revenue	417
Total Additions	5,133,621
Deductions:	
Administrative expenses	250,000
Contractual services	257,566
Interest expense	912,867
Total Deductions	1,420,433
Changes in Net Position	3,713,188
Net Position (Deficit) - Beginning of Fiscal Year	(5,533,716)
Net Position (Deficit) - End of Fiscal Year	\$ (1,820,528)

See Accompanying Notes to Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies

The City of Duarte, California (the City) was incorporated August 22, 1957. The City operates under a Council-Manager form of government. The City's major operations include police, code enforcement, animal control, parks and recreation, planning and development, public works, transit services, refuse collection, and general administrative services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The reporting entity, "City of Duarte", is comprised of the various funds of the City of Duarte (City), the Duarte Public Finance Authority (Authority), and the Duarte Housing Authority (Housing Authority). As required by generally accepted accounting principles in the United States of America, these financial statements present the City of Duarte (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Duarte elected officials have a continuing oversight responsibility over the Authority and Housing Authority.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bond debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

Blended Component Units

The Duarte Public Financing Authority (the Authority) was organized in 1988 for the specific purpose of facilitating the issuance of debt instruments. It has no separate existence and has acted as a conduit between the issuer (the City) and the underwriters. Separate financial statements of the Public Financing Authority were not prepared.

The Duarte Housing Authority (the Housing Authority) was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on March 22, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for Duarte residents. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority were not prepared.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

The Duarte Community Facilities Financing Authority was established on February 1, 2013 between the City and the Housing Authority for the specific purpose of facilitating the issuance of debt instruments. It has no separate existence and has acted as a conduit between the issuer (the City) and the underwriters. Separate financial statements of the Public Financing Authority were not prepared.

Organizations Other Than Component Units:

Other governmental agencies, such as the County of Los Angeles, the Duarte Unified School District, etc. provide services within the City. However, each of these agencies is governed by an independently elected governing board. Accordingly, their financial information is not included within the scope of this financial report, because the City Council does not have a continuing oversight responsibility over them, nor are their financial operation closely related thereto.

b. Government-wide and Fund Financial Statements

The City's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The City does not have any business-type activities; therefore, only governmental activities are reported.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities present changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grant and contributions and (3) capital grants and contributions. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated.

c. Government-wide and Fund Financial Statements

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. These statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category- governmental and fiduciary- are presented.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with separate self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements.

d. Funds

The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City which accounts for all or most of the City's general activities and financial resources except those that are required to be accounted for in another fund.

Housing Authority Fund - This fund is to account for legally restricted funds for housing activities.

Former RDA Low and Moderate Income Housing Fund - This fund accounts for resources received from the Redevelopment Property Tax Trust Fund for the implementation, administration and monitoring of the Low and Moderate income housing affordability and other reporting requirements of the State Housing and Redevelopment.

Additionally, the City reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are restricted by law or administrative regulation for specified purposes.

Capital Projects Funds - Capital project funds are used to account for financial resources to be used for the acquisition and construction of capital assets.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for the periodic payment of principal and interest on long-term debt.

Private-purpose Trust Funds - The Private-purpose trust funds are used to account for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met those qualifications.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements if provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

e. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange 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 for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments and employee leave benefits, which are recognized as expenditures when they are due and payable.

Property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

f. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

1. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, as well as cash with fiscal agent. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Investments

Investments are stated at fair value, (generally quoted market prices). The City's policy is to hold investments until maturity or until market values equal or exceed cost.

3. Prepaid Items

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.

4. Land Held for Resale

Land Held for Resale is an inventory of land purchased, which will be sold. The land is recorded at the lower of the acquisition cost or market.

5. Capital Assets

Capital assets, which include land, intangible assets (e.g., easements and rights of way), buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with a purchase cost of over \$5,000 and have a useful life of two years or more. Assets are recorded at actual historical cost or estimated historical cost. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	60 years
Sewer System	60 years
Machinery & Equipment	5 – 35 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

6. Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 government has two items that qualifies for reporting in this category. They are deferred outflows relating to the net pension obligation and the net OPEB obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions which are deferred and amortized over the expected average remaining service life time.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. In addition, the government has two items that qualifies for reporting in this category which are deferred inflows in relation to the net pension obligation and the net OPEB obligation reported in the government-wide statements of net position. These inflows are the results of the net difference between projected and actual earnings on pension plan investments, difference between actual contributions and plan's share of contributions, and adjustment due to differences in proportions. These amounts are deferred and amortized over the expected remaining service life.

7. Property Tax Revenues

In general, property taxes in California are levied in accordance with Article 13B of the State Constitution at 1% of county-wide assessed valuations. This one percent is allocated pursuant to State law to the appropriate unites of local government, including the City.

Property taxes are levied during July of each fiscal year and are due on November 1 and February 1. Property taxes become delinquent after December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. The City accrues property tax received within 60 days after year- end in the fund financial statements.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the Government-Wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the Governmental Fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS' Financial Office. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

11. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Compensated Absences

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The amount estimated to be used in subsequent fiscal years for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

13. Interfund Activities

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

14. Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position: This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component of net position represents the net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds are classified in the following categories:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution).

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

15. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

16. Restatement of Net Position

The opening balance of the governmental activities net position was restated as follows:

Net Position July 1, 2017, as originally stated	\$ 69,457,888
Prepaid OPEB asset	(165,818)
Opening OPEB liability	(4,139,952)
Net Position July 1, 2017, as restated	<u>\$ 65,152,118</u>

17. Deficit Fund Balances or Net Position

The following funds have a deficit at June 30, 2018:

Nonmajor Fund - Community Development Block Grant	\$ 75
Nonmajor Fund - PEG Special Revenue Fund	59,457

The City expects to eliminate these deficits with anticipated future revenues from grants, deferred payments, and reimbursements

18. Budgets

The following Nonmajor special revenue funds exceeded appropriation at the fund level and by amount of excess: Supplemental Law Enforcement fund \$14,953, Bicycle and Pedestrian fund \$255, Air Quality Management Distribution fund \$85, Proposition A Transit Fund \$90,920, and PEG fund \$75,873. In addition, the Town Center Debt Service Fund exceeded appropriations at the fund level by \$80.

18. Implemented Accounting Pronouncements

For the fiscal year ended June 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation of GASB Statement No. 75 did have an impact on the City's financial statements for the fiscal year ended June 30, 2018. Please see Note 1 part 16 for more details.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

19. Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

The provisions of Statement Number 83 "*Certain Asset Retirement Obligations*" are effective for fiscal years beginning after June 15, 2018.

The provisions of Statement Number 84 "*Fiduciary Activities*" are effective for fiscal years beginning after December 15, 2018.

The provisions of Statement Number 87 "*Leases*" are effective for fiscal years beginning after December 15, 2019,

The provisions of Statement Number 88 "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" are effective for fiscal years beginning after June 15, 2018.

The provisions for Statement Number 89 "*Accounting for Interest Cost Incurred before the End of a Construction Period*" are effective for fiscal years beginning after December 15, 2019.

The provisions for Statement Number 90 "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*" are effective for fiscal years beginning after December 15, 2018.

Note 2: Cash and Investments

a. *Cash and Investments*

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash on hand	\$ 2,975
Demand deposits	4,118,147
Investments	10,715,591
Restricted:	
Cash and investments with fiscal agent	14
Total cash and investments Governmental Activities	<u>\$ 14,836,727</u>

Statement of Fiduciary Net Position:

Demand deposits	\$ 4,900,869
Restricted:	
Cash and investments with fiscal agent	2,033,217
Total cash and investments Fiduciary	<u>\$ 6,934,086</u>

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 2: Cash and Investments (Continued)

b. Deposits

At June 30, 2018, the carrying amount of the City's deposits was \$4,118,147 and the bank balance was \$4,064,748. The \$53,399 difference represents the outstanding checks and other reconciling items. At June 30, 2018 the carrying amount of the Fiduciary trust's deposits and bank balance was \$4,900,869.

The California Government Code requires California banks and savings and loans associations to secure the City's deposits by pledging government securities with a fair value of 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes have a fair value of 150% of the City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral of deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held or, and in the name of, the local government agency.

c. Investments

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

The City's Investment Policy is reviewed and adopted by the City Council each year. The investment policy does not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a 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. All investments held by a bond trustee are invested in U.S. Treasury Money Market Funds. The table below identifies the allowable investment types authorized by the California Government Code and the City's adopted Investment Policy (the "Investment Policy"). The table also identifies certain restrictions related to interest rate risk and concentration of credit risk. The Investment Policy restricts the Treasurer to invest in only the types of investments listed herein, which is more restrictive than the Government Code

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 2: Cash and Investments (Continued)

Investment Types Authorized Investment By State Law	Authorized by Investment Policy	Maximum Maturity		Maximum Percentages of Portfolio		Maximum Investment	
		CGC	City	CGC	City	CGC	City
California State Bonds	Yes	5 years	5 years	None	None	None	None
Federal Agency and U.S- Government Sponsored							
Enterprise Obligations	Yes	5 years	5 years	None	None	None	None
U.S. Treasury Securities	Yes	5 years	5 years	None	None	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	30%	None	None
Time Deposits	Yes	5 years	5 years	None	None	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	N/A	None	None	65 million	65 million

Information about the sensitivity of the fair values of the Fiduciary trust fund investments to market interest rate fluctuations for is provided by the following table that shows the distribution of the fiduciary trust fund's investments by maturity:

Investment Type	Remaining Maturity (in months)	
	6 Months or Less	
Restricted Cash with fiscal agents:		
U.S. Treasury Money Market Mutual Fund	\$	2,033,217

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's LAIF investment of \$10,715,591 does not have a rating provided by a nationally recognized statistical rating organization. The Fiduciary trust fund's restricted cash of \$2,033,217 held in U.S. Treasury Money Market Mutual Fund does not have a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The entire investment balance of the City is invested in the LAIF external investment pool.

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 to deposits: The California Government Code requires that a financial institution secure deposits

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 2: Cash and Investments (Continued)

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 fair 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 fair value of 150% of the secured public deposits.

As of June 30, 2018, \$3,814,748 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts. As of June 30, 2018, \$4,900,869 of the Fiduciary trust fund's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

Fair Value Measurements

Investments are stated as fair value and are valued on a yearly basis. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government pool is not subject to reporting within the level hierarchy. The entire balance of investments is in an external government pool. Please see additional information in "Investment in State Investment Pool".

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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. The City's LAIF balance at June 30, 2018 was \$10,715,591.

The total amount invested by all public agencies in LAIF as of June 30, 2018 was \$22.5 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2018 has a balance of \$88.8 billion (47.60% was invested in government securities). The average maturity of PMIA investments was 193 days as of June 30, 2018.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 3: Interfund Receivables, Payable and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/Due from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Major Funds:</u>		
General	\$ 1,473,474	\$ -
Housing Authority Special Revenue	-	1,388,040
<u>Nonmajor Special Revenue Funds:</u>		
Community Development Block Grant	-	4,800
Bicycle and Pedestrian	-	14,455
PEG	-	66,179
Total	<u>\$ 1,473,474</u>	<u>\$ 1,473,474</u>

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds.

Transfers In/Transfers Out:

	<u>(Transfers Out)</u>		
<u>Transfers In</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	\$ 535,738	\$ 793,107	\$ 1,328,845
Nonmajor Funds	<u>(354,307)</u>	<u>(974,538)</u>	<u>(1,328,845)</u>
Total	\$ <u>181,431</u>	\$ <u>(181,431)</u>	\$ <u>-</u>

Transfers Out of the amount of \$535,738 were made out of the General Fund into the Lighting and Landscaping Fund and the Housing Authority Fund for capital and administrative costs. Transfer In of \$354,307 was made to reimburse the General Fund for expenditures paid on behalf of the Landscaping and Lighting Fund and the Measure R Fund. Transfer In of \$68,000 was made out of the Lighting and Landscaping Fund into the Town Center Debt Service Fund to pay the debt service payments for the year for the 2013 Certificates of Participation. Transfer In of \$370,000 was made from the Prop C Fund to the Prop A Fund to assist in supporting the City's Transit System's operational costs.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 4: Notes Receivable

Notes and loans receivables as of June 30, 2018, are comprised of the following:

Affordable Housing

As part of development agreements with certain builders and in order to assist those individuals and families who are the most in need, the Housing Authority of the City of Duarte provides loans to low-and-moderate-income level residents for the acquisition and rehabilitation of residences. As a part of the agreement, the Housing Authority accepted second trust deeds from eligible buyers so that they could purchase the property. The second trust deeds are cancelable after 25 years should the buyers remain in the housing. If the property is sold, the Housing Authority recovers its second trust deed and interest to be calculated within certain limits. Since the amount, if any, the Housing Authority will receive is unknown, the City has recorded an allowance for doubtful accounts for the full amount of the receivables. The City will record income if the property is sold. The balance of the notes and loans receivable at June 30, 2018 is \$345,500 with an allowance for doubtful accounts of \$345,500 for a net notes and loans receivable of \$0 as of June 30, 2018.

Note 5: Capital Assets

A summary of changes in capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Increases	Decreases	Transfers	Balance June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 22,291,035	\$ -	\$ 776,100	\$ -	\$ 21,514,935
Construction in progress	1,871,501	299,512	311,484	(1,725,245)	134,284
Total capital assets, not being depreciated	24,162,536	299,512	1,087,584	(1,725,245)	21,649,219
Capital assets, being depreciated:					
Structures and improvements	8,558,362	-	486,000	-	8,072,362
Machinery and equipment	2,771,322	303,713	133,330	-	2,941,705
Infrastructure	57,258,606	648,138	521,790	1,725,245	59,110,199
Total capital assets, being depreciated	68,588,290	951,851	1,141,120	1,725,245	70,124,266
Less accumulated depreciation:					
Structures and improvements	4,022,188	134,306	486,000	-	3,670,494
Machinery and equipment	2,156,558	112,752	133,330	-	2,135,980
Infrastructure	31,901,833	1,464,974	277,526	-	33,089,281
Total accumulated depreciation	38,080,579	1,712,032	896,856	-	38,895,755
Total capital assets, being depreciated, net	30,507,711	(760,181)	244,264	1,725,245	31,228,511
Governmental activities capital assets, net	\$ 54,670,247	\$ (460,669)	\$ 1,331,848	\$ -	\$ 52,877,730

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 5: Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 40,711
Safety	3,438
Recreation and culture	285,263
Transportation	<u>1,382,620</u>
Total	<u>\$ 1,712,032</u>

Note 6: Deferred Inflows/Outflows of Resources

Unavailable revenues are deferred in accordance with GASB Statements No. 23 and No. 65. The City has unavailable revenues of intergovernmental receivables. The balance of unavailable revenues reported as deferred inflows of resources at June 30, 2018, was \$62,376. For information about deferred inflows and outflows related to pensions, see note 10. For information about deferred inflows and outflows related to OPEB, see note 11.

Note 7: Long-Term Debt

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Governmental Activities					
2013 COP	\$ 782,683	\$ -	\$ 135,978	\$ 646,705	\$ 138,725
CA Energy Commission Loan	150,690	-	15,815	134,875	16,293
Compensated Absences	<u>1,044,437</u>	<u>674,911</u>	<u>563,641</u>	<u>1,155,707</u>	<u>46,228</u>
Total	<u>\$ 1,977,810</u>	<u>\$ 674,911</u>	<u>\$ 715,434</u>	<u>\$ 1,937,287</u>	<u>\$ 201,246</u>

a. Certificates of Participation

2013 Certificates of Participation (2001 Refunding)

In April 2013, the City of Duarte issued \$1,337,750 in Certificates of Participation (Series A) with an interest rate of 2.01%. The City issued the bonds to refund \$1,245,000 2001 Certificates of Participation on a current basis and pay for issuance costs. The Series A Certificates of Participation mature on August 1, 2022, and bear interest at 2.01% per annum. Interest on the bonds is payable semi-annually every August 1 and February 1.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 7: Long-Term Debt (Continued)

Fiscal year ending June 30,	2013 Certificates of Participation- (2001 Refunding)	
	Principal	Interest
2019	\$ 138,725	\$ 12,305
2020	141,527	9,503
2021	144,386	6,644
2022	147,303	3,727
2023	74,764	751
Totals	<u>\$ 646,705</u>	<u>\$ 32,930</u>

b. California Energy Resources Conservation and Development Commission Loan

The State of California Energy Resources Conservation and Development Commission issued a loan to the City for an Energy Efficiency project to be completed in July 2011. The Loan was issued in October 2011 in the amount of \$218,847. The liability as of June 30, 2018 is \$134,875.

The loan matures on December 22, 2025, and bear interest at 3% per annum. Principal and Interest on the loan is payable semi-annually every December 22 and June 22.

Fiscal year ending June 30,	CA Energy Commission Loan	
	Principal	Interest
2019	\$ 16,293	\$ 3,926
2020	16,776	3,442
2021	17,293	2,926
2022	17,815	2,403
2023	18,354	1,865
2024-2026	<u>48,344</u>	<u>2,202</u>
Totals	<u>\$ 134,875</u>	<u>\$ 16,764</u>

c. Compensated Absences

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City at June 30, 2018, had an outstanding accrued balance of unpaid vacation, sick leave and associated employee related costs of \$1,155,707 that will be liquidated from various funding sources in future years.

d. CJPIA Retrospective Deposit Liability

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims may take years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 7: Long-Term Debt (Continued)

and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members for coverage years beginning in 2013 – 2014. The October 2011 annual retrospective adjustment is included in these balances. The City, at June 30, 2018, no longer had a retrospective deposit due for either the general and automobile liability coverage or worker's compensation coverage.

Note 8: Liability, Worker's Compensation, and Purchased Insurance

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

The City of Duarte is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA 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 Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government 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 \$30,000 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 \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 8: Liability, Worker's Compensation, and Purchased Insurance (Continued)

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2017-18 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits 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 which is available through the 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 Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$24,626,518. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$5,712,006. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 8: Liability, Worker's Compensation, and Purchased Insurance (Continued)

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance which is facilitated by the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2017-18.

Note 9: Deferred Compensation Plan

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The amount held by trustees for the employees at June 30, 2018, was \$2,232,982. These amounts are not recorded in the books of the City and as such not included in these financial statements.

Note 10: Retirement Plan

a. Plan Description

All qualified employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPER's issues publicly available report that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

b. Benefits Provided

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

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 10: Retirement Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Tier 1*</u>	<u>Tier 2*</u>	<u>PEPRA</u>
	Prior to	January 1, 2010	
Hire date	January 1, 2010	but prior to January 1, 2013	After January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits as a % of eligible compensation	50 yrs - 63+ yrs 1.425% - 2.418%	50 yrs - 63+ yrs 1.092% - 2.418%	52 yrs - 67+ yrs 1.000% - 2.500%
Required employee contribution rates	8.000%	7.000%	6.500%
Required employer contribution rates	10.848%	7.850%	6.908%

* Plan closed to new entrants

c. Contribution Description

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan were as follow:

	<u>Miscellaneous</u>
Contributions – employer	\$ 1,331,915

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 10: Retirement Plan (Continued)

d. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 14,098,986

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2016	0.30027%
Proportion – June 30, 2017	0.29560%
Change - Decrease	<u>(0.00467%)</u>

For the fiscal year ended June 30, 2018, the City recognized pension expense of \$1,251,041. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made after the measurement date	\$ 1,471,655	\$ -
Difference between expected and actual experience	-	212,196
Change in assumptions	1,975,601	150,641
Net difference between projected and actual earnings on pension plan investments	446,799	-
Difference in proportionate share	100,377	-
Adjustment due to differences in proportions	<u>392,943</u>	<u>25,657</u>
Total	<u>\$ 4,387,375</u>	<u>\$ 388,494</u>

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 10: Retirement Plan (Continued)

\$1,471,655 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal year ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ 822,469
2020	1,231,146
2021	738,884
2022	(265,273)
Totals	\$ 2,527,226

e. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities were determined by rolling forward the total pension liability determined in the June 30, 2016 actuarial valuation to June 30, 2017. The June 30, 2017, total pension liability was based on the following actuarial methods and assumptions:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry age normal cost method
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	Varies by age/service
Projected salary increase	3.30 % - 14.2% (1)
Investment rate of return	7.50% (2)
Mortality	Data for all Funds (3)

- (1) Depending on age, service, and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011. The experience study report can be obtained at CalPERS' website under Forms and Publications.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 10: Retirement Plan (Continued)

f. Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate, the amortization and smoothing periods adopted by CalPERS in 2013 were used. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test. The tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projects benefit payments to determine the total pension liability. The crossover test results can be found on CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017.

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

	Miscellaneous
1.0% Decrease	6.15%
Net Pension Liability	\$ 20,611,132
Current Discount Rate	7.15%
Net Pension Liability	\$ 14,098,986
1.0% Increase	8.15%
Net Pension Liability	\$ 8,705,510

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 10: Retirement Plan (Continued)

g. Pension Plan Fiduciary Net Position

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

Note 11: Other Post-Employment Benefits

a. Plan Description

The City has established a retiree healthcare plan (HC Plan). The HC Plan provides employees healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMCHA). PEMCHA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS PEMCHA plans are also required to offer health care under those plans to their retirees. The rules regarding retiree health care are found in sections 22892 and 22893 of the Government Code.

Under PEMCHA, the City will provide medical insurance coverage for retirees and their dependents through the PERS system. To be eligible, employees must retire within one hundred and twenty days of their separation from employment with the City. PEMCHA requires the same equal benefit must be provided retirees as active employees. The minimum employer contribution is announced each year by CalPERS. This rate was set at \$133 per month for FY 2017-2018. Currently under the HC Plan, the City pays 100% of the health insurance premium for employees and retirees which exceeds the required minimum employer contribution under PEMCHA. Benefits are paid for the lifetime of the retiree as long as he or she continues to participate in PEMCHA, with continuation to the surviving spouse, if any.

The City also pays an administrative fee of 0.31% of premium on behalf of all active employees and retirees. Retirees who waive medical insurance coverage and provide proof of other coverage will be reimbursed by the City in a tiered schedule from ranging from \$218 to \$566 per month.

The City joined the Public Agencies Post-Retirement Health Care Plan Trust (Trust) in September of 2007 for the purpose of prefunding other post-employment benefits for past services. The Trust is a public agency multiple-employer trust that was established to provide member public agencies economies of scale and efficiency of administration in the funding of each agency's respective other post-employment benefit obligation.

As of the July 1, 2017 actuarial valuation, the Plan was providing benefits to 64 beneficiaries consisting of 37 active employees and 34 inactive employees or their beneficiaries.

b. Contributions

The City Council establishes health care coverage rates each year by Memoranda of Understanding with the applicable employee bargaining units. The City currently pays the benefits as they come due on behalf of the beneficiaries. In addition, the City makes an additional voluntary contribution to the Trust at a rate set during the budget process. During FY 2017-2018 the City paid \$271,870 in post-employment healthcare costs directly to PERS.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 11: Other Post-Employment Benefits (Continued)

and an additional contribution of \$252,450 into the Trust during FY 2017-2018 for a total contribution amount of \$524,320.

c. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement date. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless other specified:

Salary increases	3.00%
Investment rate of return	6.50%, net of OPEB plan investment expense
Healthcare cost trend rate	6.00% for 2017, 5.00% for 2018 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2014 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 6.5 percent.

d. Discount Rate

GASB 75 requires a discount rate that reflects the following:

- The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City's Total OPEB liability is based on these requirements and the following information:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 11: Other Post-Employment Benefits (Continued)

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
July 1, 2017	July 1, 2017	6.50%	3.13%	6.50%
June 30, 2018	June 30, 2018	6.50%	3.62%	6.50%

e. Changes in the OPEB Liability

The following table shows the changes in the net OPEB liability as follows:

Total OPEB Liability	
Service Cost	\$ 258,408
Interest	464,777
Difference between expected and actual experience	983,161
Benefit payments (1)	(662,583)
Net change in total OPEB liability	1,043,763
Total OPEB liability - beginning (a)	6,493,332
Total OPEB liability - ending (b)	\$ 7,537,095
 Plan fiduciary net position	
Contributions - employer (1)	\$ 915,033
Net investment income	189,196
Benefit payments (1)	(662,583)
Administrative expense	(13,347)
Net Change in plan fiduciary net position	428,299
Plan fiduciary net position - beginning (d)	2,353,380
Plan fiduciary net position - ending (f)	\$ 2,781,679
 Net OPEB liability - beginning (a) - (d)	 \$ 4,139,952
 Net OPEB liability - ending (b) - (f)	 \$ 4,755,416

(1) Amount includes implicit subsidy associated with benefits paid.

f. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50 percent) or 1 percentage point higher (7.50 percent) than the current discount rate:

	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 5,901,823	\$ 4,755,416	\$ 3,825,081

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 11: Other Post-Employment Benefits (Continued)

g. Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.00 percent decreasing to 4.00 percent) or 1 percentage point higher (5.00 percent increasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Healthcare Cost Rate (5.00%)	1% Increase (6.00%)
Net OPEB liability	\$ 3,408,622	\$ 4,755,416	\$ 5,857,989

h. OPEB Plan Fiduciary Net Position

Statement of Fiduciary Net Position - June 30, 2018

Assets

Investments	
Managed account	\$ 2,781,679
Total Assets	<u>2,781,679</u>

Net position restricted for post-employment benefits other than pensions	<u>\$ 2,781,679</u>
---	---------------------

Statement of Changes in Fiduciary Net Position for the Fiscal Year Ended June 30, 2018

Additions

Employer Contributions (1)	\$ 915,033
Investment income:	
Net increase in fair value of investments	<u>189,196</u>
Total Additions	<u>1,104,229</u>

Deductions

Administrative expense	13,347
Benefit payments (1)	<u>662,583</u>
Total Deductions	<u>675,930</u>

Net increase in net position	428,299
-------------------------------------	---------

**Net position restricted for post-employment
benefits other than pensions**

Beginning of fiscal year	<u>2,353,380</u>
End of fiscal year	<u>\$ 2,781,679</u>

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 11: Other Post-Employment Benefits (Continued)

- (1) Includes \$524,320 of pay-as-you-go contributions made from sources outside of the trust, plus an implicit subsidy amount of \$138,263.

i. Investments

The City's policy regarding the allocation of the plan's invested assets is established and may be amended by management of the City. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the City has selected is the Balance Objective, which seeks to provide growth of principal and income. The asset allocation ranges for this objective as of June 30, 2017, are listed below:

Strategic Asset Allocation Ranges			
	Cash	Fixed Income	Equity
Stated Range	0-20%	30%-50%	50%-70%
Tactical	3%	37%	60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The investment manager (assisting the City) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

For the fiscal year ended June 30, 2018 the annual money-weighted rate of return on investments, net of investment expense, was 8.05 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

j. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The difference between expected and actual experience is recognized over a 4.3 year period and the net difference between projected and actual earnings on plan investments is recognized over a 5 year period.

k. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$793,233 and reported deferred outflows of resources related to OPEB from the following sources:

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 11: Other Post-Employment Benefits (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 754,519	\$ -
Differences between projected and actual return investments	-	17,255
Total	\$ 754,519	\$ 17,255

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows (Inflows) of Resources
2019	\$ 224,328
2020	224,328
2021	224,328
2022	64,280

Note 12: Conduit Debt Obligations

a. Financial Cooperation Agreements

The City from time to time has provided financial assistance to health care providers for the acquisition of equipment and facilities deemed to be in the public interest. The agreements are secured by the property financed and are payable solely from payments received on the underlying security liens. Upon repayment of the debt, ownership of the property transfers to the private-sector entity served by the loan agreement, neither the Agency, the City of Duarte, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, such debt is not reported as liabilities in the accompanying financial statements.

Note 13: Commitments and Contingencies

a. Grant Audits

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City Management believes disallowance, if any, will be immaterial.

On December 29, 2011, the California Supreme Court upheld AB X1 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

CITY OF DUARTE

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 13: Commitments and Contingencies (Continued)

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 16, 2016, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City's resolution number 12-R-03(A).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. 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 by the Bill.

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash	\$ 4,900,869
Cash and investments with fiscal agents	<u>2,033,217</u>
Total cash and investments	<u>\$ 6,934,086</u>

Please see Note #2, Cash and investments for additional information.

b. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2018, follows:

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Fiduciary Activities					
City Loans	\$ 6,882,374	\$ -	\$ 966,805	\$ 5,915,569	\$ -
Merged Projects -					
2007 Series A	6,385,000	-	1,095,000	5,290,000	2,490,000
2007 Series B	1,285,000	-	1,285,000	-	-
2007 Series C	1,040,000	-	505,000	535,000	535,000
Total- Agency Bonds	15,592,374	-	3,851,805	11,740,569	3,025,000
Unamortized net original Premium	11,199	-	7,823	3,376	3,376
Total	\$ 15,603,573	\$ -	\$ 3,859,628	\$ 11,743,945	\$ 3,028,376

City Loans

In previous fiscal years, the City made loans to the former Redevelopment Agency. As of June 30, 2018, principal on those loans was \$5,915,569. The loans have a zero percent interest rate and no set schedule of repayments.

Tax Allocation Bonds

\$25,645,000 Redevelopment Agency of the City of Duarte Merged Redevelopment Project Area 2007 Tax Allocation Refunding (Consisting of Series A \$15,385,000 [Tax-exempt] and Series B \$10,260,000 [Taxable])

In June 2007, the former Redevelopment Agency issued \$25,645,000 in Merged Redevelopment Project Area 2007 Tax Allocation Refunding bonds with interest rates ranging between 3.60% and 5.375%. The agency issued the bonds to advance refund \$15,687,343 of the outstanding series 1997 Amended Davis Addition Project Area Tax Allocation Refunding Bonds, the series 1998 Merged Redevelopment Project Area Tax Allocation Refunding Bonds, and the series 1999 Merged Redevelopment Project Area Subordinate Tax Allocation Bonds. The Agency used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 1997 series bonds, the 1998 series bonds, and the 1999 series bonds.

As a result, that portion of the 1997 series bonds, the 1998 series bonds, and the 1999 series bonds are considered defeased, and the Agency has removed liability from its accounts.

The Series A serial bonds mature between October 1, 2007 and October 1, 2019, and bear interest rates of 3.60% and 4.00% per annum. Term bonds maturing on October 1, 2016 to October 1, 2019, bear an interest rate of 4.00% per annum. Interest on the bonds is payable semi-annually every April 1 and October 1.

The Series B serial bonds matured between October 1, 2007 and October 1, 2017, and carried interest rates of 5.25% and 5.375% per annum. Term bonds maturing between October 1, 2010 to October 1, 2017, carried an interest rate of 5.375% per annum. Interest on the bonds was payable semi-annually every April 1 and October 1. The bonds were secured by and payable solely from a pledge of tax increment revenue. This liability was transferred to the Successor Agency upon dissolution of the former Redevelopment Agency.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The Series B bonds final principal payment was paid during the FY 2017-2018.

The balance at June 30, 2018, amounted to \$5,290,000 plus net unamortized bond premium of \$1,452 and unamortized loss on defeasance of \$670,811. The debt service requirements to maturity for the Series A bonds as of June 30, 2018 are as follows:

Fiscal year ending June 30,	Series A	
	Principal	Interest
2019	\$ 2,490,000	\$ 161,800
2020	2,800,000	56,000
Totals	<u>\$ 5,290,000</u>	<u>\$ 217,800</u>

\$4,875,000 Redevelopment Agency of the City of Duarte Merged Redevelopment Project Area 2007 Tax Allocation Refunding, Series C

In November 2007, the former Redevelopment Agency issued \$4,875,000 in Merged Redevelopment Project Area 2007 Tax Allocation Refunding bonds with interest rate of 4.00% per annum. The agency issued the bonds to refund and redeem the remaining \$4,430,000 of the outstanding series 1997 Amended Davis Addition Project Area Tax Allocation Refunding Bonds. These bonds were issued under an Indenture of Trust dated November 1, 2007. Interest on the Bonds is payable April 1 and October 1, beginning April 1, 2008.

Unless and until the Agency amends the Redevelopment Plan for the Project Area to increase the cumulative limit on the receipt of Tax Increment Revenues, the Bonds maturing on or after October 1, 2014, are subject to special mandatory redemption commencing October 1, 2008 and each October 1 thereafter, from certain excess revenues of the Project Area on a pro-rata basis with the Series A Bonds.

Bonds maturing on or before October 1, 2013, shall not be subject to optional redemption prior to their respective maturities. The Bonds maturing on or after October 1, 2014, shall be subject to redemption as shall be determined by the Agency, at the option of the Agency, on any date on or after October 2013, at the option of the Agency from any available source of funds.

A Reserve Account for the Bonds that must be maintained is equal to the least of 10% of the par amount of the Bonds, maximum annual debt service on the Bonds, or 125% of average annual debt service on the Bonds. The Indenture provides that in lieu of a cash deposit, the Agency may satisfy all or a portion of a Reserve Requirement by means of a Qualified Reserve Account Credit Instrument.

Other than the Series A and Series B Bonds, the Agency may issue or incur additional Parity Debt secured by the Tax Revenues on a parity with Bonds, subject to various specific conditions as stated in the Indenture of Trust. The bonds are secured by and payable solely from a pledge of tax increment revenue. This liability was transferred to the Successor Agency upon dissolution of the former Redevelopment Agency.

CITY OF DUARTE

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2018

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The balance at June 30, 2018, amounted to \$535,000 plus net unamortized bond premium of \$1,924. The debt service requirements to maturity for the Series C bonds as of June 30, 2018 are as follows:

Fiscal year ending June 30,	Series C	
	Principal	Interest
2019	\$ 535,000	\$ 10,700
Totals	\$ 535,000	\$ 10,700

Pledged Revenue

The former Redevelopment Agency pledged, as security for bonds issued, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the former Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to the successor agencies to make payments on the indebtedness incurred by the dissolved Redevelopment Agency. Total principal and interest remaining on the debt is \$6,053,500 with annual debt service requirements as indicated above. For the current year, the debt service obligation on the bonds was \$3,184,534 and tax revenues received during the first six months of the fiscal year to pay enforceable obligations was \$1,555,012. The City will receive another allocation in December 2018 for the second half of the fiscal year's principal payments.

c. Insurance

The Successor Agency is covered under the City of Duarte's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 7.

d. Land held for resale

The former Redevelopment Agency purchased land for development purposes which was distributed to the successor agency trust fund upon dissolution of the Redevelopment Agency. The land is intended to be sold to developers and the proceeds will be utilized to repay liabilities of the trust fund.

e. Note Receivable

As part of the Estoppel Certificate, Consent & Agreement, a loan was established on December 4, 2013 between the City, Southern California Presbyterian Homes, and Andres Duarte Terrace II, L.P. for the development of a 43-unit affordable housing project located within the City. The loan was established to be repaid in a matter of 57 years, authorized by the executive director of the Duarte Housing Authority. The balance at June 30, 2018 is \$1,200,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 14,370,993	\$ 14,370,993	\$ 14,370,993	\$ -
Resources (Inflows):				
Taxes	8,640,000	8,640,000	8,348,327	(291,673)
Licenses and permits	1,598,000	1,598,000	2,088,974	490,974
Intergovernmental	2,513,800	2,843,800	3,270,301	426,501
Charges for services	497,300	497,300	435,056	(62,244)
Use of money and property	258,800	2,166,800	2,192,506	25,706
Fines and forfeitures	245,000	245,000	333,961	88,961
Miscellaneous	1,704,100	1,704,100	737,501	(966,599)
Transfers in	395,700	395,700	354,307	(41,393)
Amounts Available for Appropriations	30,223,693	32,461,693	32,131,926	(329,767)
Charges to Appropriations (Outflow):				
Current:				
General government	4,078,100	4,569,100	4,438,846	130,254
Safety	5,397,800	5,397,800	5,358,482	39,318
Development	3,164,500	3,126,500	3,145,503	(19,003)
Recreation and cultural	3,149,900	3,181,900	3,105,757	76,143
Capital outlay	54,000	525,000	595,696	(70,696)
Debt service:				
Principal retirement	15,900	15,900	15,815	85
Interest and fiscal charges	4,500	4,500	4,401	99
Transfers out	542,800	605,800	535,738	70,062
Total Charges to Appropriations	16,407,500	17,426,500	17,200,238	226,262
Budgetary Fund Balance, June 30	\$ 13,816,193	\$ 15,035,193	\$ 14,931,688	\$ (103,505)

See Note to Required Supplementary Information

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 138,175	\$ 138,175	\$ 138,175	\$ -
Resources (Inflows):				
Miscellaneous revenue	-	-	500	500
Transfers in	193,400	193,400	193,400	-
Amounts Available for Appropriations	331,575	331,575	332,075	500
Charges to Appropriations (Outflow):				
Development	3,600	38,600	23,460	15,140
Total Charges to Appropriations	3,600	38,600	23,460	15,140
Budgetary Fund Balance, June 30	\$ 327,975	\$ 292,975	\$ 308,615	\$ 15,640

See Note to Required Supplementary Information

CITY OF DUARTE**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018****Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years (*)****SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	FY 15	FY 16	FY 17	FY 18
	Measurement	Measurement	Measurement	Measurement
	Date	Date	Date	Date
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
City's proportion of the net pension liability	0.03089%	0.029101%	0.30027%	0.29560%
City's proportionate share of the net pension liability	\$8,486,349	\$10,578,290	\$12,675,786	\$14,098,986
City's covered - employee payroll	\$2,352,312	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085
City's proportionate share of the net pension liability as a percentage of it's covered - employee payroll	360.8%	428.7%	342.0%	355.1%
Plan's fiduciary net position as a percentage of the total pension liability	78.40%	79.82%	75.87%	73.31%

Notes to schedule:

In Fiscal Year 2016-17, the financial reporting rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this assumption change.

*Fiscal year 2015 was the 1st year of implementation, therefore, only four are shown.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years (*)**

SCHEDULE OF PENSION CONTRIBUTIONS

	Measurement Date June 30, 2014 <u>Miscellaneous</u>	Measurement Date June 30, 2015 <u>Miscellaneous</u>	Measurement Date June 30, 2016 <u>Miscellaneous</u>	Measurement Date June 30, 2017 <u>Miscellaneous</u>
Actuarilly determined contribution (a)	\$ 262,412	\$ 285,477	\$ 400,604	\$ 421,885
Contribution in relation to the actuarially determined contribution (b)	(262,412)	(285,477)	(400,604)	(421,885)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (c)	\$ 2,352,312	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085
Contributions as a percentage of covered payroll	11.16%	11.57%	10.81%	10.63%

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (b) Some employers may choose to make additional contributions towards their unfunded liability. Contributions for such plans exceed the actuarially determined contributions.
- (c) Covered payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered payroll as the total payroll of employee's pension plan. Accordingly, if pensionable earnings are different that total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal year 2017-18 were from June 30, 2015 public agency valuations.

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	18 years as of the valuation date
Asset valuation method	15 year smoother market
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.75%
Projected salary increases	3.30% to 14.20% depending on age, service and type of employment
Payroll growth	3.00%
Individual salary growth	A merit scale varying in duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2011.
Mortality	The probabilities of mortality are based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

* Fiscal year 2015 was the 1st year of implementation, therefore, only four years are shown.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years***

	Measurement Period 2018
Total OPEB Liability	
Service cost	\$ 258,408
Interest on the total OPEB liability	464,777
Differences between expected and actual experience	983,161
Benefit payments (1)	(662,583)
Net change in total OPEB liability	<u>1,043,763</u>
Total OPEB liability - beginning	<u>6,493,332</u>
Total OPEB liability - ending (a)	<u><u>\$ 7,537,095</u></u>
 Plan Fiduciary Net Position	
Contribution - employer (1)	\$ 915,033
Net Increase in fair value of investments	189,196
Benefit payments (1)	(662,583)
Administrative expense	(13,347)
Net Change in plan fiduciary net position	<u>428,299</u>
Plan fiduciary net position - beginning	<u>2,353,380</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,781,679</u></u>
 Net OPEB liability (a) - (b)	<u><u>\$ 4,755,416</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	36.91%
 Covered-employee payroll	4,211,793
 Net OPEB liability as a percentage of covered-employee payroll	36.91%

(1): Amount includes implicit subsidy associated with benefits paid.

*Fiscal Year 2018 was the 1st year of implementation so only 1 year is shown.

CITY OF DUARTE

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**SCHEDULE OF OPEB CONTRIBUTIONS
Last Ten Fiscal Years***

	Fiscal Year <u>6/30/2018</u>
Contractually Determined Contribution (CDC)	\$ 271,870
Contributions in relation to the CDC	<u>(524,320)</u>
Contribution deficiency (excess)	<u>(252,450)</u>
 Covered-employee payroll	 \$4,211,793
 Contributions as a percentage of covered-employee payroll	 12.45%

*Fiscal Year 2018 was the 1st year of implementation so only 1 year is shown.

CITY OF DUARTE

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2018

Note 1: Budgets and Budgetary Accounting

The City adopts an annual budget prepared in accordance with accounting principles generally accepted in the United States of America and on the modified accrual basis of accounting for its governmental funds. The City Manager or designee is authorized to transfer budgeted amounts between the accounts of any department. Any revisions that alter the total appropriations of any department or fund must be approved by the City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the fund level.

Budget

The Low and Moderate Income Housing Fund, the Park Development Grant Fund, the Quimby Act Fund, the STP-L Fund, and the SB1/RMRA Fund did not adopt a budget and therefore no comparison schedule as presented.

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OTHER SUPPLEMENTAL INFORMATION

CITY OF DUARTE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
Assets:				
Pooled cash and investments	\$ 1,922,671	\$ 216,515	\$ -	\$ 65,245
Receivables:				
Assessments	34,901	26,311	-	-
Grants	-	-	7,025	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,957,572	\$ 242,826	\$ 7,025	\$ 65,245
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 10,400	\$ 62,874	\$ 2,300	\$ 65,245
Accrued liabilities	-	-	-	-
Unearned revenues	-	24,700	-	-
Due to other funds	-	-	4,800	-
Total Liabilities	10,400	87,574	7,100	65,245
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	155,252	-	-
Recreation and culture	-	-	-	-
Transportation	1,947,172	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	(75)	-
Total Fund Balances (deficits)	1,947,172	155,252	(75)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,957,572	\$ 242,826	\$ 7,025	\$ 65,245

CITY OF DUARTE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			
	Bicycle and Pedestrian	Air Quality Management	Measure M	Quimby Act
Assets:				
Pooled cash and investments	\$ -	\$ 56,795	\$ 234,050	\$ 54,021
Receivables:				
Assessments	-	-	-	-
Grants	14,455	7,542	-	-
Prepaid costs	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 14,455	\$ 64,337	\$ 234,050	\$ 54,021
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	14,455	-	-	-
Total Liabilities	14,455	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	-	-	-
Recreation and culture	-	-	-	54,021
Transportation	-	64,337	234,050	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficits)	-	64,337	234,050	54,021
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,455	\$ 64,337	\$ 234,050	\$ 54,021

CITY OF DUARTE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			
	Prop A Transit	Prop C Transit	PEG	Measure R LR Transit
Assets:				
Pooled cash and investments	\$ 2,245,112	\$ 201,034	\$ -	\$ 1,161,864
Receivables:				
Assessments	-	-	-	-
Grants	-	-	6,722	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,245,112	\$ 201,034	\$ 6,722	\$ 1,161,864
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 19,157	\$ -	\$ -	\$ -
Accrued liabilities	4,959	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	66,179	-
Total Liabilities	24,116	-	66,179	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development projects	-	-	-	-
Recreation and culture	-	-	-	-
Transportation	2,220,996	201,034	-	1,161,864
Debt service	-	-	-	-
Unassigned	-	-	(59,457)	-
Total Fund Balances (deficits)	2,220,996	201,034	(59,457)	1,161,864
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,245,112	\$ 201,034	\$ 6,722	\$ 1,161,864

CITY OF DUARTE

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds		Capital Project Funds	
	STP-L	SB1/RMRA	Inclusionary Housing	Community Improvement
Assets:				
Pooled cash and investments	\$ 382,822	\$ 82,695	\$ 509,502	\$ 183,561
Receivables:				
Assessments	-	-	-	-
Grants	-	46,699	-	48,511
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 382,822	\$ 129,394	\$ 509,502	\$ 232,072
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	377,958	-	-	138,539
Due to other funds	-	-	-	-
Total Liabilities	377,958	-	-	138,539
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	51,551
Total Deferred Inflows of Resources	-	-	-	51,551
Fund Balances:				
Restricted for:				
Development projects	-	-	509,502	41,982
Recreation and culture	-	-	-	-
Transportation	4,864	129,394	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficits)	4,864	129,394	509,502	41,982
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 382,822	\$ 129,394	\$ 509,502	\$ 232,072

CITY OF DUARTE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Debt Service Fund	Total Governmental Funds
	Town Center Debt Service	
Assets:		
Pooled cash and investments	\$ 702,452	\$ 8,018,339
Receivables:		
Assessments	-	61,212
Grants	-	130,954
Restricted assets:		
Cash and investments with fiscal agents	14	14
Total Assets	\$ 702,466	\$ 8,210,519
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 159,976
Accrued liabilities	-	4,959
Unearned revenues	-	541,197
Due to other funds	-	85,434
Total Liabilities	-	791,566
Deferred Inflows of Resources:		
Unavailable revenues	-	51,551
Total Deferred Inflows of Resources	-	51,551
Fund Balances:		
Restricted for:		
Development projects	-	706,736
Recreation and culture	-	54,021
Transportation	-	5,963,711
Debt service	702,466	702,466
Unassigned	-	(59,532)
Total Fund Balances (deficits)	702,466	7,367,402
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 702,466	\$ 8,210,519

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
Revenues:				
Assessments	\$ -	\$ 1,035,863	\$ -	\$ -
Intergovernmental	502,531	-	72,721	214,416
Charges for services	-	-	-	-
Use of money and property	16,181	-	-	537
Miscellaneous	-	2,220	-	-
Total Revenues	518,712	1,038,083	72,721	214,953
Expenditures:				
Current:				
Safety	-	-	-	214,953
Development	-	1,011,065	-	-
Transportation	265,569	-	-	-
Capital outlay	-	-	72,796	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	265,569	1,011,065	72,796	214,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,143	27,018	(75)	-
Other financing sources (uses):				
Transfers in	-	342,338	-	-
Transfers out	-	(409,700)	-	-
Total Other Financing Sources (Uses)	-	(67,362)	-	-
Net Changes in Fund Balances	253,143	(40,344)	(75)	-
Fund Balances (Deficit), Beginning of Fiscal Year	1,694,029	195,596	-	-
Fund Balances (Deficit), End of Fiscal Year	\$ 1,947,172	\$ 155,252	\$ (75)	\$ -

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Bicycle & Pedestrian	Air Quality Management	Measure M	Quimby Act
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,455	22,851	232,902	-
Charges for services	-	-	-	-
Use of money and property	-	594	1,148	456
Miscellaneous	-	-	-	-
Total Revenues	14,455	23,445	234,050	456
Expenditures:				
Current:				
Safety	-	-	-	-
Development	-	-	-	-
Transportation	-	1,463	-	-
Capital outlay	14,455	44,622	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	14,455	46,085	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(22,640)	234,050	456
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	-	(22,640)	234,050	456
Fund Balances (Deficit), Beginning of Fiscal Year	-	86,977	-	53,565
Fund Balances (Deficit), End of Fiscal Year	\$ -	\$ 64,337	\$ 234,050	\$ 54,021

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Prop A Transit	Prop C Transit	PEG	Measure R LR Transit
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	530,295	342,216	-	257,002
Charges for services	-	-	29,335	-
Use of money and property	18,960	2,217	-	9,417
Miscellaneous	-	-	-	-
Total Revenues	549,255	344,433	29,335	266,419
Expenditures:				
Current:				
Safety	-	-	-	-
Development	-	-	-	-
Transportation	1,017,420	10,000	-	-
Capital outlay	-	-	75,873	63,034
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,017,420	10,000	75,873	63,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(468,165)	334,433	(46,538)	203,385
Other financing sources (uses):				
Transfers in	370,800	-	-	-
Transfers out	-	(370,800)	-	(12,607)
Total Other Financing Sources (Uses)	370,800	(370,800)	-	(12,607)
Net Changes in Fund Balances	(97,365)	(36,367)	(46,538)	190,778
Fund Balances (Deficit), Beginning of Fiscal Year	2,318,361	237,401	(12,919)	971,086
Fund Balances (Deficit), End of Fiscal Year	\$ 2,220,996	\$ 201,034	\$ (59,457)	\$ 1,161,864

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		Capital Project Funds	
	STP-L	SB1/RMRA	Inclusionary Housing	Community Improvement
Revenues:				
Assessments	\$ -	\$ 129,104	\$ -	\$ -
Intergovernmental	-	-	-	1,170,989
Charges for services	-	-	-	-
Use of money and property	3,232	290	4,302	524
Miscellaneous	-	-	-	-
Total Revenues	3,232	129,394	4,302	1,171,513
Expenditures:				
Current:				
Safety	-	-	-	-
Development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,232	129,394	4,302	1,171,513
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	3,232	129,394	4,302	1,171,513
Fund Balances (Deficit), Beginning of Fiscal Year	1,632	-	505,200	(1,129,531)
Fund Balances (Deficit), End of Fiscal Year	\$ 4,864	\$ 129,394	\$ 509,502	\$ 41,982

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Debt Service Fund	Total Governmental Funds
	Town Center Debt Service	
Revenues:		
Assessments	\$ -	\$ 1,164,967
Intergovernmental	-	3,360,378
Charges for services	-	29,335
Use of money and property	5,969	63,827
Miscellaneous	-	2,220
Total Revenues	5,969	4,620,727
Expenditures:		
Current:		
Safety	-	214,953
Development	-	1,011,065
Transportation	-	1,294,452
Capital outlay	-	270,780
Debt service:		
Principal retirement	135,978	135,978
Interest and fiscal charges	16,702	16,702
Total Expenditures	152,680	2,943,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,711)	1,676,797
Other financing sources (uses):		
Transfers in	68,000	781,138
Transfers out	-	(793,107)
Total Other Financing Sources (Uses)	68,000	(11,969)
Net Changes in Fund Balances	(78,711)	1,664,828
Fund Balances (Deficit), Beginning of Fiscal Year	781,177	5,702,574
Fund Balances (Deficit), End of Fiscal Year	<u>\$ 702,466</u>	<u>\$ 7,367,402</u>

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,694,029	\$ 1,694,029	\$ 1,694,029	\$ -
Resources (Inflows):				
Intergovernmental	471,900	471,900	502,531	30,631
Use of money and property	7,000	7,000	16,181	9,181
Amounts Available for Appropriations	2,172,929	2,172,929	2,212,741	39,812
Charges to Appropriations (Outflow):				
Transportation	271,500	271,500	265,569	5,931
Total Charges to Appropriations	271,500	271,500	265,569	5,931
Budgetary Fund Balance, June 30	\$ 1,901,429	\$ 1,901,429	\$ 1,947,172	\$ 45,743

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
LIGHTING AND LANDSCAPING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 195,596	\$ 195,596	\$ 195,596	\$ -
Resources (Inflows):				
Assessments	1,037,300	1,037,300	1,035,863	(1,437)
Miscellaneous	1,100	1,100	2,220	1,120
Transfers in	349,400	349,400	342,338	(7,062)
Amounts Available for Appropriations	1,583,396	1,583,396	1,576,017	(7,379)
Charges to Appropriations (Outflow):				
Development	978,100	1,053,100	1,011,065	42,035
Transfers out	409,700	409,700	409,700	-
Total Charges to Appropriations	1,387,800	1,462,800	1,420,765	42,035
Budgetary Fund Balance, June 30	\$ 195,596	\$ 120,596	\$ 155,252	\$ 34,656

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	145,000	145,000	72,721	(72,279)
Amounts Available for Appropriations	<u>145,000</u>	<u>145,000</u>	<u>72,721</u>	<u>(72,279)</u>
Charges to Appropriations (Outflow):				
Capital outlay	145,000	145,000	72,796	72,204
Total Charges to Appropriations	<u>145,000</u>	<u>145,000</u>	<u>72,796</u>	<u>72,204</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (75)</u>	<u>\$ (75)</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	175,000	200,000	214,416	14,416
Use of money and property	300	300	537	237
Amounts Available for Appropriations	175,300	200,300	214,953	14,653
Charges to Appropriations (Outflow):				
Safety	175,000	200,000	214,953	(14,953)
Total Charges to Appropriations	175,000	200,000	214,953	(14,953)
Budgetary Fund Balance, June 30	\$ 300	\$ 300	\$ -	\$ (300)

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
BICYCLE AND PEDESTRIAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	14,400	14,400	14,455	55
Amounts Available for Appropriations	14,400	14,400	14,455	55
Charges to Appropriations (Outflow):				
Capital Outlay	14,200	14,200	14,455	(255)
Total Charges to Appropriations	14,200	14,200	14,455	(255)
Budgetary Fund Balance, June 30	\$ 200	\$ 200	\$ -	\$ (200)

CITY OF DURATE

**BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY MANAGEMENT DISTRIBUTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 86,977	\$ 86,977	\$ 86,977	\$ -
Resources (Inflows):				
Intergovernmental	28,600	28,600	22,851	(5,749)
Use of money and property	300	300	594	294
Amounts Available for Appropriations	115,877	115,877	110,422	(5,455)
Charges to Appropriations (Outflow):				
Transportation	4,000	4,000	1,463	2,537
Capital Outlay	42,000	42,000	44,622	(2,622)
Total Charges to Appropriations	46,000	46,000	46,085	(85)
Budgetary Fund Balance, June 30	\$ 69,877	\$ 69,877	\$ 64,337	\$ (5,540)

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	261,300	261,300	232,902	(28,398)
Use of money and property	-	-	1,148	1,148
Amounts Available for Appropriations	261,300	261,300	234,050	(27,250)
Budgetary Fund Balance, June 30	\$ 261,300	\$ 261,300	\$ 234,050	\$ (27,250)

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A TRANSIT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,318,361	\$ 2,318,361	\$ 2,318,361	\$ -
Resources (Inflows):				
Intergovernmental	449,400	449,400	530,295	80,895
Use of money and property	14,000	14,000	18,960	4,960
Transfers in	370,000	370,000	370,800	800
Amounts Available for Appropriations	3,151,761	3,151,761	3,238,416	86,655
Charges to Appropriations (Outflow):				
Transportation	834,200	926,500	1,017,420	(90,920)
Total Charges to Appropriations	834,200	926,500	1,017,420	(90,920)
Budgetary Fund Balance, June 30	\$ 2,317,561	\$ 2,225,261	\$ 2,220,996	\$ (4,265)

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 237,401	\$ 237,401	\$ 237,401	\$ -
Resources (Inflows):				
Intergovernmental	341,300	341,300	342,216	916
Use of money and property	1,200	1,200	2,217	1,017
Amounts Available for Appropriations	579,901	579,901	581,834	1,933
Charges to Appropriations (Outflow):				
Transportation	10,000	10,000	10,000	-
Transfers out	370,800	370,800	370,800	-
Total Charges to Appropriations	380,800	380,800	380,800	-
Budgetary Fund Balance, June 30	\$ 199,101	\$ 199,101	\$ 201,034	\$ 1,933

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE

PEG

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Budgetary Fund Balance (Deficit), July 1	\$ (67,142)	\$ (67,142)	\$ (12,919)	\$ 54,223
Resources (Inflows):				
Intergovernmental	22,000	22,000	29,335	7,335
Amounts Available for Appropriations	(45,142)	(45,142)	16,416	61,558
Charges to Appropriations (Outflow):				
Transfers out	-	-	75,873	(75,873)
Total Charges to Appropriations	-	-	75,873	(75,873)
Budgetary Fund Balance (Deficit), June 30	\$ (45,142)	\$ (45,142)	\$ (59,457)	\$ (14,315)

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE
MEASURE R LR TRANSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 971,086	\$ 971,086	\$ 971,086	\$ -
Resources (Inflows):				
Intergovernmental	256,000	256,000	257,002	1,002
Use of money and property	4,000	4,000	9,417	5,417
Amounts Available for Appropriations	1,231,086	1,231,086	1,237,505	6,419
Charges to Appropriations (Outflow):				
Capital outlay	200,000	200,000	63,034	136,966
Transfers out	50,000	50,000	12,607	37,393
Total Charges to Appropriations	250,000	250,000	75,641	174,359
Budgetary Fund Balance, June 30	\$ 981,086	\$ 981,086	\$ 1,161,864	\$ 180,778

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
INCLUSIONARY HOUSING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 505,200	\$ 505,200	\$ 505,200	\$ -
Resources (Inflows):				
Use of money and property	1,400	1,400	4,302	2,902
Amounts Available for Appropriations	506,600	506,600	509,502	2,902
Budgetary Fund Balance, June 30	\$ 506,600	\$ 506,600	\$ 509,502	\$ 2,902

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Varlance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance (Deficit), July 1	\$ (1,129,531)	\$ (1,129,531)	\$ (1,129,531)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	1,170,989	1,170,989
Use of money and property	100	100	524	424
Amounts Available for Appropriations	<u>(1,129,431)</u>	<u>(1,129,431)</u>	<u>41,982</u>	<u>1,171,413</u>
Charges to Appropriations (Outflow):				
Transportation	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (1,129,431)</u>	<u>\$ (1,129,431)</u>	<u>\$ 41,982</u>	<u>\$ 1,171,413</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE
TOWN CENTER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 781,177	\$ 781,177	\$ 781,177	\$ -
Resources (Inflows):				
Use of money and property	2,000	2,000	5,969	3,969
Transfers in	68,000	68,000	68,000	-
Amounts Available for Appropriations	851,177	851,177	855,146	3,969
Charges to Appropriations (Outflow):				
Principal Retirement	136,000	136,000	135,978	22
Interest and fiscal charges	16,600	16,600	16,702	(102)
Total Charges to Appropriations	152,600	152,600	152,680	(80)
Budgetary Fund Balance, June 30	\$ 698,577	\$ 698,577	\$ 702,466	\$ 3,889

CITY OF DUARTE
MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER
June 30, 2018

CITY OF DUARTE
June 30, 2018

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MOSS, LEVY & HARTZHEIM LLP

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December 3, 2018

To the City Council and City Manager

City of Duarte
1600 Huntington Drive
Duarte, California 91010

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Duarte (City) as of and for the fiscal year ended June 30, 2018. Professional standards require that we provide you with the information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit which we have previously communicated to you. 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 of the notes to the basic financial statements. As described in Note 1 to the financial statements, the City changed accounting policies related to other postemployment benefits by adopting Statement of Governmental Accounts Standards (GASB Statement) No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" in the fiscal year ended June 30, 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported Statement of Activities. We noted no transactions entered into by the City during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the funding progress and net pension liability of CalPERS, the estimated historical cost and useful lives of capital assets, and the assumptions used for estimating the other postemployment benefits liability. These estimates are based on CalPERS' actuarial estimates, historical data and industry guidelines for capital assets, and actuarial valuations by actuaries hired by the City. We evaluated the key factors and assumptions used to develop the estimates above in determining that they are reasonable in relation to the financial statements taken as a whole.

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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 3, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Budgetary Comparison Schedule of the General Fund, the Budgetary Comparison Schedule of the Housing Authority Special Revenue Fund, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in the Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary

information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves

Restriction on Use

This information is intended solely for the use of the City Council of the City and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Moss, Levy & Hartzheim".

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA



MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council and City Manager

City of Duarte
1600 Huntington Drive
Duarte, California 91010

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 City of Duarte (City) as of and for the fiscal year ended June 30, 2018, 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 3, 2018.

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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify a deficiency in internal control that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the current year recommendations section. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Very truly yours,



MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
December 3, 2018

CURRENT YEAR RECOMMENDATIONS

NONE

STATUS OF PRIOR YEAR RECOMMENDATIONS

NONE