

**ALL ITEMS FOR CONSIDERATION BY THE CITY COUNCIL AND GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION ARE AVAILABLE FOR PUBLIC VIEWING IN THE OFFICE OF THE CITY CLERK/SECRETARY AND THE CENTRAL LIBRARY**

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**AGENDA FOR THE CONCURRENT REGULAR MEETINGS OF THE CITY COUNCIL OF THE CITY OF COMMERCE AND THE GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION (HEREINAFTER "SUCCESSOR AGENCY")**

**COUNCIL CHAMBERS  
5655 JILLSON STREET, COMMERCE, CALIFORNIA**

**TUESDAY, SEPTEMBER 18, 2012 – 6:30 P.M.**

**CALL TO ORDER**

Mayor/Chairperson Leon

**PLEDGE OF ALLEGIANCE**

Claude McFerguson  
Director of Transportation

**INVOCATION**

Councilmember/Board Member Altamirano

**ROLL CALL**

City Clerk/Secretary Olivieri

**APPEARANCES AND PRESENTATIONS**

**PUBLIC COMMENT**

**Citizens wishing to address the City Council and Successor Agency on any item on the agenda or on any matter not on the agenda may do so at this time. However, State law (Government Code Section 54950 et seq.) prohibits the City Council/Successor Agency from acting upon any item not contained on the agenda posted 72 hours before a regular meeting and 24 hours before a special meeting. Upon request, the City Council/Successor Agency may, in their discretion, allow citizen participation on a specific item on the agenda at the time the item is considered by the City Council/Successor Agency. Request to address City Council/Successor Agency cards are provided by the City Clerk/Secretary. If you wish to address the City Council/Successor Agency at this time, please complete a speaker's card and give it to the City Clerk/Secretary prior to commencement of the City Council/ Successor Agency meetings. Please use the microphone provided, clearly stating your name and address for the official record and courteously limiting your remarks to five (5) minutes so others may have the opportunity to speak as well.**

**To increase the effectiveness of the Public Comment Period, the following rules shall be followed:**

**No person shall make any remarks which result in disrupting, disturbing or otherwise impeding the meeting.**

**CITY COUNCIL/SUCCESSOR AGENCY REPORTS**

**CONSENT CALENDAR**

Items under the Consent Calendar are considered to be routine and may be enacted by one motion. Each item has backup information included with the agenda, and should any Councilmember or Board Member desire to consider any item separately he/she should so indicate to the Mayor/Chairperson. If the item is desired to be discussed separately, it should be the first item under Scheduled Matters.

1. Approval of Minutes

The **City Council and Successor Agency** will consider for approval, respectively, the minutes of the Special Meeting of Tuesday, August 14, 2012, held at 5:00 p.m. [Council only]; Concurrent Special Meetings of Tuesday, September 4, 2012, held at 5:00 p.m. and Concurrent Regular Meetings of Tuesday, September 4, 2012, held at 6:30 p.m.

2. Approval of Warrant Register Nos. 5 and 30

The **City Council and Successor Agency** will consider for approval, respectively, the bills and claims set forth in Warrant Registers No. 5A, dated September 18, 2012; No. 5B, for the period September 5, 2012, to September 13, 2012, and No. 30A, dated September 17, 2012.

3. A Resolution of the City Council of the City of Commerce, California, Approving an Agreement Between the City of Commerce and Bob Murray & Associates

The **City Council** will consider for approval and adoption a proposed Resolution approving an Agreement between the City and Bob Murray & Associates for professional services related to the recruitment of a Director of Human Resources.

**PUBLIC HEARINGS** None.

**SCHEDULED MATTERS**

4. Selection of Date for 2012 Strategic Goals Update

The **City Council** will consider selecting the date of November 13, 2012 or November 27, 2012, to receive a follow-up strategic goals update. The Strategic Planning Workshop sessions held earlier this year provided the Council with the opportunity to establish their goals and values for FY 2012/2013.

5. Report — Los Angeles County's Water Quality Initiative for Creation of New Parcel Fee to Address Water Quality Per the National Pollution Discharge Elimination System

The **City Council** will consider for receipt and filing, and provide appropriate direction as deemed necessary with respect to, the Los Angeles County's Water Quality Initiative for Creation of a New Parcel Fee to address Water Quality per the National Pollution Discharge Elimination System.

6. Report — Highlighting the Agreed-Upon Procedures as Performed by the Los Angeles County Auditor-Controller – As Part of AB 26, and Pursuant to California Health and Safety Code Section 34182 Requiring Each County Auditor-Controller to Conduct, or Cause to be Conducted, Agreed-Upon Procedures of Each Former Redevelopment Agency

The **City Council** will consider for receipt and filing and provide appropriate direction as deemed necessary with respect to, a report highlighting the agreed-upon procedures as performed by the Los Angeles County Auditor-Controller – as part of AB 26, and pursuant to California Health and Safety Code Section 34182 requiring each County Auditor-Controller to conduct, or cause to be conducted, agreed-upon procedures of each former Redevelopment Agency.

7. Report — Options Available Regarding Excessive Idling of Commercial Diesel Vehicles

At the request of Mayor Pro Tempore Baca Del Rio, the **City Council** will consider for receipt and filing and provide appropriate direction as deemed necessary with respect to, options available regarding excessive idling of commercial diesel vehicles.

**ORDINANCES AND RESOLUTIONS**

8. An Ordinance of the City Council of the City of Commerce, California, Amending Chapter 9.40 (Political Campaign Signs) of Title 9 (Peace, Safety And Morals) of the Commerce Municipal Code by Amending Subsection (2) of Section 9.40.030 (Posting in Certain Places Prohibited), Section 9.40.070 (Removal Procedure), 9.40.080 (Storage—Notice—Return), 9.40.100 (Persons Responsible) and 9.40.110 (Illegal Signs—Public Nuisance) – First Reading

The **City Council** will consider for first reading a proposed Ordinance amending Chapter 9.04 of Title 9 of the Commerce Municipal Code relating to political campaign signs, as stated above. The proposed amendments will eliminate the 24-hour advance notice required prior to the removal of signs placed in violation of Sections 9.40.030 and 9.40.040, providing for their immediate removal; allow the candidate, committee or person responsible for the illegal signs to be charged the actual cost for the removal, storage, destruction and/or disposal of the signs by the City and clarifies certain public property where campaign signs may not be posted and the persons responsible for the posting of campaign signs.

9. A Resolution of the City Council of the City of Commerce, California, Approving a City Council Sub-Committee to Develop Recommendations for a New Exclusive Residential Refuse Agreement and Appointing Two Councilmembers to the Sub-Committee

The **City Council** will consider for approval and adoption a proposed Resolution approving a City Council Sub-Committee to develop recommendations for a new exclusive Residential Refuse agreement and appointing two Councilmembers to the Sub-Committee.

**CIP PROGRESS REPORT** – None.

**I-710 LOCAL ADVISORY COMMITTEE UPDATE**

10. I-710 Local Advisory Committee Progress Report

The **City Council** will consider for receipt and filing, and provide appropriate direction as deemed necessary with respect to, a status report on I-710 Freeway Improvement Project.

**RECESS TO CLOSED SESSION**

**ADJOURNMENT**

Adjourn to Tuesday, October 2, 2012, at 5:00 p.m. in the City Council Chambers.

**LARGE PRINTS OF THIS AGENDA ARE AVAILABLE UPON REQUEST  
FROM THE CITY CLERK'S OFFICE, MONDAY-FRIDAY,  
8:00 A.M. - 6:00 P.M.**



# AGENDA REPORT

DATE: September 18, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN AGREEMENT BETWEEN THE CITY OF COMMERCE AND BOB MURRAY & ASSOCIATES

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

ANALYSIS:

The City of Commerce needs a new Human Resource Director. The City has contacted and interviewed several recruitment firms. City staff recommends that the City retain Bob Murray & Associates to provide the executive recruitment services needed for the Human Resources Director position.

Bob Murray & Associates will develop a candidate profile; develop an advertising campaign and recruitment brochure; recruit candidates; screen candidates; conduct personal interviews; conduct public records search; provide recommendations; assist with final interviews; conduct detailed reference checks; assist with negotiations; and provide complete administrative assistance. The cost for their services will be seventeen thousand dollars (\$17,000), with estimated reimbursable expenses not-to-exceed six thousand five hundred dollars (\$6,500) without prior approval of the City. The proposed agreement sets forth the services to be provided and the total cost for the services.


FISCAL IMPACT:

The cost for the recruitment services will not exceed \$17,000, with reimbursable expenses not-to-exceed \$6,500 without prior approval of the City. Staff is recommending the use of projected FY 2011-12 year-end surplus funds to facilitate the execution of the agreement with Bob Murray & Associates.

Respectfully submitted,

  
Jorge J. Rifa  
City Administrator

Fiscal impact reviewed by:

  
Vilko Domic  
Director of Finance

Approved as to form

  
Eduardo Olivo  
City Attorney



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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,  
APPROVING AN AGREEMENT BETWEEN THE CITY OF COMMERCE AND BOB  
MURRAY & ASSOCIATES

WHEREAS, the City of Commerce needs to hire a new Human Resource Director;  
and

WHEREAS, City staff has interviewed several recruitment firms and recommends  
that the City retain the firm Bob Murray & Associates ("Bob Murray") to provide the  
required recruitment services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES  
HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: The Professional Services Agreement between the City of Commerce  
and Bob Murray & Associates for Recruitment Services is hereby approved. The Mayor is  
hereby authorized to execute the Agreement for and on behalf of the City of Commerce.

PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_,  
2012.

\_\_\_\_\_  
Lilia R. Leon  
Mayor

ATTEST:

\_\_\_\_\_  
Linda Kay Olivieri, MMC  
City Clerk





## **PROFESSIONAL SERVICES AGREEMENT**

This agreement is made by and between the City of Commerce (the City), and Bob Murray & Associates (the Consultant).

- A. **Engagement:** The City agrees to engage the Consultant to perform the services described below, the project described as an executive recruitment for a Human Resources Director (the Search).
  
- B. **Services:** The Consultant agrees to perform certain services necessary for the completion of the search, which services shall include the following:
  - a. Develop the Candidate Profile
  - b. Develop Advertising Campaign and Recruitment Brochure
  - c. Recruit Candidates
  - d. Screen Candidates
  - e. Conduct Personal Interviews
  - f. Conduct Public Record Search
  - g. Provide Recommendation
  - h. Assist with Final Interviews
  - i. Conduct Detailed Reference Checks
  - j. Assist with Negotiations
  - k. Provide Complete Administrative Assistance
  - l. Our firm provides a 1 (one) year guarantee on this project

As described in the proposal dated August 17, 2012.

- C. **Relationship:** The Consultant is an independent contractor and is not to be considered an agent or employee of the City.
  
- D. **Compensation:** As full compensation for the Consultant's professional services performed hereunder, the City shall pay the Consultant the fixed amount of \$17,000 (seventeen thousand dollars).
  
- E. **Expense Reimbursement:** The Consultant shall be entitled to reimbursement for expenses from the City for consultant travel, advertising, printing and binding, clerical, long distance charges, postage and delivery, civil, criminal and newspaper checks, and credit checks. Postage, photocopying, and telephone charges are allocated costs. Expenses to be reimbursed shall not exceed \$6,500 (six thousand five hundred dollars) without prior approval of the City. Copies of receipts will not be provided unless specifically requested and made part of this contract.
  
- F. **Compensation for Additional Services:** In the event the City elects to require additional services of the Consultant in addition to those described in paragraph B the Consultant shall be compensated at an agreed upon rate.

- G. Method of Payment: The City shall be billed monthly by the Consultant for the work completed as of that date. Expenses shall be billed and due at the same time.
- H. Term: The term of this agreement shall commence on September 18, 2012, at which time Consultant shall begin work on the Search and shall continue until the search is completed.
- I. Termination: This agreement may be terminated; (a) by either party at any time for failure of the other party to comply with the terms and conditions of this Agreement; (b) by either party upon 10 days prior written notice to the other party; or (c) upon mutual written agreement of both parties. In the event of termination, the Consultant shall stop work immediately and shall be entitled to compensation for professional fees and expense reimbursement to the date of termination and for any work necessitated by that termination.
- J. Indemnity: Except for loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees, caused solely by the negligence of the City, its Council, boards, commissions, officers and employees, Consultant shall indemnify, defend and hold harmless the City, its Council, boards and commissions, officers, and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorney's fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner connected to Consultant's negligent act or omission regarding performance of services or work conducted or performed pursuant to this Agreement.
- K. Miscellaneous:
- a. The entire agreement between the parties with respect to the subject matter hereunder is contained in this agreement.
  - b. Neither this agreement nor any rights or obligations hereunder shall be assigned or delegated by the Consultant without the prior written consent of the City.
  - c. This agreement shall be modified only by written agreement duly executed by the City and the Consultant.
  - d. Should any of the provisions hereunder be found to be invalid, void or voidable by a court, the remaining provisions shall remain in full force and effect.
  - e. This agreement shall be governed by and construed in accordance with the laws of the State of California.

- f. All notices required or permitted under this agreement shall be deemed to have been given if and when deposited in the United States mail, properly stamped and addressed to the party for whom intended at such party's address listed below, or when delivered personally to such party. A party may change its address for notice hereunder by giving written notice to the other party.

Wherefore, the parties have entered into this agreement as of the later of the dates stated below.

Approved:

Dated: September 18, 2012

Bob Murray & Associates

By: \_\_\_\_\_

Title: President

1677 Eureka Road, Suite 202  
Roseville, CA 95661

Dated: Sept. 18, 2012

City of Commerce

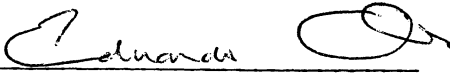
By: \_\_\_\_\_  
Lilia R. Leon

Title: Mayor

ATTEST:

\_\_\_\_\_  
Linda Kay Olivieri, MMC  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Eduardo Olivo  
City Attorney





# AGENDA REPORT

MEETING DATE: September 18, 2012

**TO:** HONORABLE CITY COUNCIL  
**FROM:** CITY ADMINISTRATOR  
**SUBJECT:** SET DATE FOR 2012 STRATEGIC GOALS UPDATE

**RECOMMENDATION:**

Set the date of November 13<sup>th</sup> or November 27<sup>th</sup> to provide Council with a follow-up strategic goals update.

**MOTION:**

Council discretion.

**BACKGROUND:**

On July 17, 2012, the City Council received a staff report presentation on the following six 2012 Strategic Goals.

- 1) Implement Staff Development
- 2) Grow revenues to ensure all expenses are being met so that we can remain fiscally responsible and continue to provide services to the residents
- 3) Improve and maintain infrastructure and beautify our community
- 4) Develop a tangible environmental mitigation plan
- 5) Implement strategic communication plan for all key stakeholders
- 6) Establish protocol to ensure decision making and evaluation process for new ideas are clear and timely

On April 21, 2012 and May 9, 2012, the City Council held their 2012 Strategic Planning Workshop Session. The workshop provided the Council with the opportunity to establish their goals and values for FY 2012/2013 in order to communicate those to the community and the city's organization.

**ANALYSIS:**

The follow-up strategic goals update would provide Council with the opportunity to receive a progress report on each respective strategic goal objective and offer the Management Team any comments on the established goals.

**BUDGET IMPACT:**

The activity can be carried out as part of the approved FY 2012/2013 operating budget.

Respectfully submitted,

  
Jorge Rifa  
City Administrator

Prepared by,

  
Fernando Mendøza  
Deputy City Administrator

Recommended by,

  
David Hill  
Interim Human Resources Director

Budget Impact Reviewed by:

  
Vilko Domic  
Director of Finance

Approved as to Form:

  
Eduardo Olivo  
City Attorney

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 7/17/2012

**Project Objective 1A:** Rotate Department/Division meetings with City Council to create collaborative open environment, instill ownership, and empower employees

**Project Leader(s):** Jorge Rifa, Ivan Altamirano

**Target Comp. Date:** 6/2012

**Estm'd Comp. Date:** ongoing

**Status:** Project on-Track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• Transportation Department completed 6/13/2012</li><li>• Library Department completed 7/10/2012</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Parks &amp; Recreation Department scheduled for 8/14/2012</li><li>• Human Resources Department scheduled for 9/2012</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 07/17/2012

**Project Objective 1B:** Implement departmental shadowing program and interdepartmental sharing process

**Project Leader(s):** Claude McFerguson, Fernando Mendoza

**Estm'd Comp. Date:** On-going

**Target Date:** 07/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Department Head's learning from each other's Departments/Divisions, which shall improve the City's overall effectiveness</li> <li>• Interdepartmental collaboration resulted in the recent City Hall front counter coverage and redesign of lobby</li> <li>• Transportation implemented a process whereas supervisors are assigned various business related topics to present during staff meetings, which improves their verbal communication skills and help develop staff's leadership abilities.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Obtaining feedback and buy-in from the entire Senior Management team;</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>



## PROJECT STATUS UPDATE

**Project Name1 :** Implement Staff Development

**Date of Update:** 7/17/2012

**Project Objective 1C:** Each Department to define customer service metrics and enhance existing customer service training.

**Project Leader(s):** Teresa McAllister, Ivan Altamirano

**Estm'd Comp. Date:** ongoing

**Target Comp. Date:** 7/6/2012 & 8/8/2012

**Status:** Project on-Track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>On June 18, 2012 each department was provided the following customer service metrics from the City's Mission Statement and were asked to provide any additional metrics in which they would like to define for their respective departments:</li> </ul> <p>Employees are to provide municipal services <i>as sensitively, courteously, efficiently and effectively</i> as possible.</p> <ul style="list-style-type: none"> <li>On June 27, 2012, the Customer Service Committee met to recommend a Secret Shopper Customer Service Program.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>Customer Service Training Scheduled for August 16, 2012.</li> <li>Meet and confer with Association regarding revision to employee performance evaluation – to include customer service metrics as defined by the departments and outlined in the City's Mission Statement. Scheduled for Aug. 30th</li> <li>City Council approval on the Customer Service Secret Shopper Program. Customer Service Committee finalizing specifics.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 07/17/2012

**Project Objective 1D:** Promote awareness and education on programs and job descriptions through employee orientations, mentoring and coaching. Incorporate services of ERO to assist employees with other career opportunities

**Project Leader(s):** Loretta Gutierrez

**Estm'd Comp. Date:** On-going

**Target Date:** 07/10

**Status:** Project on-track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Meeting to be schedule with Project Leaders the week of July 16<sup>th</sup>.</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 07/17/2012

**Project Objective 1E:** Post Values statement and core values of the City; (2) Review and discuss at department meetings (one paragraph per meeting discussed)

**Project Leader(s):** Jason Stinnett

**Estm'd Comp. Date:** 08/2012

**Target Date:** 06/11/2012, 8/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• The Graphics Division will redesign the City's Value Statement to be displayed throughout the organization.</li> <li>• An agenda item titled, "Values Statement" will be added to the Department Directors weekly meeting agenda for review and discussion.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 7/17/2012

**Project Objective 1F:** Implement employee rewards and recognition program to create achievement-driven culture

**Project Leader(s):** Teresa McAllister, Ivan Altamirano

**Estm'd Comp. Date:** ongoing

**Target Comp. Date:** 9/10/2012

**Status:** Project on-Track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Survey other cities to compare employee rewards and recognition programs</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• Potential funding</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 7/17/2012

**Project Objective 1G:** Update employee evaluation process with development action plans to increase accountability and follow-up

**Project Leader(s):** Teresa McAllister

**Estm'd Comp. Date:** ongoing

**Target Comp. Date:** 8/6/2012

**Status:** Project on-Track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Performance Evaluation Tracking method in process. Notification sent to departments on past due evaluations</li>   <li>• Departments provided monthly performance evaluation reports.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Performance Evaluation Training – ½ day session</li>   <li>• Update on Logos</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Untimely performance evaluations will impact supervisor's evaluation criteria on supervisory duties</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• Part-time employees evaluations are based upon 1664 hours worked.</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 1:** Implement Staff Development

**Date of Update:** 07/17/2012

**Project Objective 1H:** Continue to provide staff training/workshops; Revisit what is considered mandated training. **Project Leader(s):** Beatriz Sarmiento, Ivan Altamirano

**Estm'd Comp. Date:** ongoing

**Target Date:** TBD

**Status:** (need to refine this goal)

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Department Heads reviewed this goal and provided input for its refinement and accomplishment</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By July 2012; Ask City Departments to research customer service trainings for their particular customer base.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Good customer service has different elements for each department and its level of customer service beyond greetings.</li> <li>• Some departments may not have access to specific customer service training in their field of service.</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 2:** Grow Revenues

**Date of Update:** 07/17/2012

**Project Objective 2A:** Audit Revenue Sources and Develop Audit Plan

**Project Leader(s):** Vilko Domic,

**Estm'd Comp. Date:**

**Target Date:** 07/3/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Bid proposal from audit firm has been received to perform transient occupancy tax audits on hotels in the City</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Council to approve going forward with sending letters to selected hotels to begin the audit process</li> <li>• Business Cooperation Program (BCP) – Consultant is in dialogue with 3 major companies (Union Pacific Railroad, Burlington Northern Railroad, and Costco)...the emphasis will transition to other businesses in Calendar Year 2013</li> <li>• Business License Amnesty Program – Implementation Date (mid 2013)</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• The plan is to implement a 3 year cycle – auditing 3 establishments annually</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 2:** Grow Revenues

**Date of Update:** 07/17/2012

**Project Objective 2B:** Develop marketing plan to target companies for additional revenue and jobs that are consistent with the general plan

**Project Leader(s):** Fernando Mendoza, Jason Stinnett, Alex Hamilton, Ivan Altamirano

**Estm'd Comp. Date:** August 15, 2012

**Target Date:** 07/9/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Compiled existing marketing material to include in marketing plan.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By July 24, 2012 – Team to meet to develop marketing strategy outline.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Focus marketing efforts to achieve maximum results consistent with City resource allocation.</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>



## PROJECT STATUS UPDATE

**Project Name 2:** Grow Revenues

**Date of Update:** 07/17/2012

**Project Objective 2C:** Look for non-traditional implementation – models and partnerships (seek Federal funding, grant writing, transportation opportunity, BID)

**Project Leader(s):** Jason Stinnett, Ivan Altamirano

**Estm'd Comp. Date:**

**Target Date:** 07/15/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Business sponsorship of recent local community events</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Survey other cities to research and evaluate non-traditional partnerships and models used</li> <li>• Evaluate use of consultants to pursue potential grant funding opportunities</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Lack of available federal, state, and local funding</li> <li>• City staff resources</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• Past non-traditional partnership – Commerce Child Care Development Center – Joint Partnership between the City, YMCA and the Industrial Council. Proposition 10: Cigarette Tax</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 2:** Grow Revenues

**Date of Update:** 07/17/2012

**Project Objective 2D:** Review and update services and activities to increase efficiency

**Project Leader(s):** Josh Brooks

**Estm'd Comp. Date:**

**Target Date:** 07/10/2012

**Status:** Project on-track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• The RFP and Staff report have been drafted</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Meet and discuss with Association regarding the goals of the organizational study.</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 2:** Grow Revenues

**Date of Update:** 07/17/2012

**Project Objective 2E:** Review Fee structure (i.e. permits all areas)

**Project Leader(s):** Scott Wasserman, Alex Hamilton

**Estm'd Comp. Date:** 8/15/2012

**Target Date:** 08/15/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Conducted planning meeting to discuss approach to conducting a new fee study in all areas</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By July 11, 2012 – Will meet with other departments to coordinate their portion of the fee study</li> <li>• By August 1, 2012 – Project coordinators to receive preliminary fee status updates from other departments</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Timing of Fee Schedules in conjunction with budget process</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 2:** Improve and maintain infrastructure and beautify our community

**Date of Update:** 07/17/2012

**Project Objective 2F:** Seek partnerships (ie; new sidewalks; tree sponsorships; on-off ramps sponsorship)

**Project Leader(s):** Danilo Batson, Robert Lipton, Ivan Altamirano

**Estm'd Comp. Date:** 10/10/12

**Target Date:** 10/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By 7/24/12 – Kick-off Meeting</li> <li>• By 7/24/12 – Establish Regular Meeting</li> <li>• By 8/07/12 – Identify List of Potential Partners</li> <li>• By 9/07/12 – Develop Action Plan</li> <li>• By 9/18/12 – Submit Plan to City Administrator</li> <li>• By 10/10/12 – Present Final Plan to City Council</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 3:** Improve and maintain infrastructure and beautify our community

**Date of Update:** 07/17/2012

**Project Objective 3A:** Develop comprehensive strategic infrastructure and beautification plan (including vision, landscape blueprint, assessment of fiscal policy impact; contingencies)

**Project Leader(s):** Danilo Batson, Alex Hamilton, Robert Lipton, Jason Stinnett, Ivan Altamirano

**Estm'd Comp. Date:**

**Target Date:** 12/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Working directly with Caltrans and BNSF to address clean-up areas</li> <li>• Began landscape median inventory</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Partnership with Steve Craig to plant bougainvilleas at key locations throughout the city</li> <li>• By 8/7/12 – Identify/Inventory Beautification Locations</li> <li>• By 10/19/12 – Develop Action Plan</li> <li>• By 11/19/12 – Submit Plan to City Administrator</li> <li>• By 12/10/12 – Present Final Plan to City Council</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Areas in need of irrigation system</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 3:** Improve and maintain infrastructure and beautify our community

**Date of Update:** 07/17/2012

**Project Objective 3B:** Explore Federal funding opportunities to improve infrastructure related goods movement and open space

**Project Leader(s):** Claude McFerguson, Fernando Mendoza

**Estm'd Comp. Date:** 9/2012

**Target Date:** 9/25/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• I710 EIR Release – Opportunity for early action</li> <li>• I-5 JPA</li> <li>• Proposed Telegraph Road improvements</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Measure R Funding – Call for Projects I-710 – Funding opportunities for infrastructure related projects</li> <li>• Claude and Fernando shall schedule a meeting to begin the funding research phase</li> <li>• Sustain at least 25% Federal funding increase related to goods movement and open space</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Impacts of freeway construction (I710 &amp; I5) on Commerce traffic circulation</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 3:** Improve and maintain infrastructure and beautify our community

**Date of Update:** 07/17/2012

**Project Objective 3C:** Enhance signage in the City of Commerce and within City Hall Building

**Project Leader(s):** Jason Stinnett, Ivan Altamirano

**Estm'd Comp. Date:**

**Target Date:** 7/1/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"><li>• Modern interior department signs created for new City Hall wing.</li></ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"><li>• The Graphics Division is incorporating a new design element that will provide for a more uniform image throughout the organization.</li></ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"><li>• Funding for exterior signage</li><li>•</li></ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective 4A:** Continue analyzing feasibility of green zones

**Project Leader(s):** Alex Hamilton, Matt Marquez

**Estm'd Comp. Date** December 2013      **Target Date:** 7/17/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Kick-off meeting with core team (Eastyards, Staff, EOA, &amp; MIG) set for July 11, 2012</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Stakeholder identification &amp; outreach.</li> <li>• Kick off meeting with Stakeholders by August 2012.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>



## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective 4B:** Improve housing stock – Environmental retrofit (ie; Ayers/Astor Avenue. Explore funding sources

**Project Leader(s):** Alex Hamilton

**Estm'd Comp. Date:** Fall 2012

**Target Date:** 9/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Ongoing research for grant funds for housing/environmental rehabilitation.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By September 10, 2012 report to City Council on funding sources/options.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Serious funding constraints caused by uncertain State conditions relating to the dissolution of redevelopment (AB1X26 &amp; AB1484). If Commerce can retain housing funds, then programs may be implemented. If not, there are significant funding limitations through other grant funds.</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective 4C:** Maximize tree planning for environmental mitigation (ie; smog, noise)

**Project Leader(s):** Danilo Batson, Alex Hamilton, Robert Lipton

**Estm'd Comp. Date:** 12/10/12

**Target Date:** 12/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By 7/24/12 – Kick-off Meeting</li> <li>• By 7/24/12 – Establish Regular Meeting (2<sup>nd</sup> &amp; 4<sup>th</sup> Tuesday)</li> <li>• By 8/17/12 – Identify List of Potential Trees &amp; Locations</li> <li>• By 10/24/12 – Develop Action Plan</li> <li>• By 11/19/12 – Submit Plan to City Administrator</li> <li>• By 12/10/12 – Present Final Plan to City Council</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective 4D:** Pursue mitigation of intermodal impact (through legislation, political connections, new revenues, partnerships with key stakeholders; pollution tax viability; legislative updates)

**Project Leader(s):** Fernando Mendoza, Vilko Domic, Claude McFerguson, Jason Stinnett, Ivan Altamirano

**Estm'd Comp. Date:**

**Target Date:** 9/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Commerce will continue to be engaged in rail yard and diesel emission reduction discussions at the state and local level (i.e., CARB, SCAQMD)</li> <li>• Commerce employees met 2012 AQMD Average Vehicle Ridership(AVR) resulting in reduced traffic and improving air quality/pollution</li> <li>• On July 5, 2012, CARB certified that the City is in compliance with both the PM and NOx emissions requirements for the Urban Bus and Transit Fleet Vehicle portions of the Transit Fleet Rule.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By August 9, 2012, Project Team members will meet to discuss strategies for mitigating intermodal impacts.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Interstate Commerce (federal regulation) preemption on state and local laws</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective 4E:** Explore regional growth strategy; Enhance regional representation for Commerce voice

**Project Leader(s):** Alex Hamilton, Jason Stinnett, Fernando Mendoza

**Estm'd Comp. Date:** Fall 2012 and ongoing

**Target Date:** 9/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Commerce has a voice through ongoing lobbying efforts by staff and lobbyist.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By August 9, 2012 meet with PIO to discuss strategies for enhancing representation.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• This will take a prolonged lobbying effort to insure Commerce has a voice.</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 4:** Develop a tangible environmental mitigation plan

**Date of Update:** 07/17/2012

**Project Objective F:** Establish plan to enhance relationship with railroads

**Project Leader(s):** Tina Baca Del-Rio, Lilia Leon (Jorge Rifa, Alex Hamilton, Fernando Mendoza)

**Estm'd Comp. Date:**

**Target Date:** 6/7/2012

**Status:** Project on-track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• Meetings are held quarterly with UPRR</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Establishing BNSF Quarterly meetings</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>

## PROJECT STATUS UPDATE

**Project Name 5:** Implement strategic communication plan for all key stakeholders

**Date of Update:** 07/17/2012

**Project Objective 5A:** Develop communication plan utilizing and enhancing existing communication platforms to communicate key issues—beyond crime—important to city. Communicate successes and what we are doing;

**Project Leader(s):** Jason Stinnett, Laura Tilley, Beatriz Sarmiento, Loretta Gutierrez, Fernando Mendoza, Denise Robles

**Estm'd Comp. Date:**

**Target Date:** 10/8/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>Interactive sites like Facebook and Twitter are being used more effectively by staff as mediums for communication.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>Use of Cable to develop short news reports for YouTube</li> <li>Use of TV monitor at main City Hall entrance to promote and communicate key information.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 5:** Implement strategic communication plan for all key stakeholders

**Date of Update:** 07/17/2012

**Project Objective 5B:** Create bilingual communication plan

**Project Leader(s):** Scott Wasserman, Beatriz Sarmiento

**Estm'd Comp. Date:** 10/1/2012

**Target Date:** 8/1/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Conducted planning meeting to discuss what materials or mode of bilingual communication would be most effective</li> <li>• Discussed priorities and listed oral Spanish communication as first priority</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• By July 2012- Talk to Department Heads about looking at their department's staff for bilingual speakers</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Looking at existing staff members in each department for bilingual speakers who can accurately translate orally.</li> <li>• Having staff members at community events to translate may pose shortage of staff at their respective facilities.</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• Looking at the Neighborhood Watch model and going out to speak to the community in Spanish about existing programs and services.</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 5:** Implement strategic communication plan for all key stakeholders

**Date of Update:** 07/17/2012

**Project Objective 5C:** Update and publish Master Calendar

**Project Leader(s):** Linda Olivieri, Al Vela, Rebecca Kuhn

**Estm'd Comp. Date:**

**Target Date:** 6/25/2012

**Status:** Project on-track.

<b>Key Accomplishments</b> <ul style="list-style-type: none"><li>• n/a</li></ul>	<b>Upcoming Milestones</b> <ul style="list-style-type: none"><li>• Al Vela is leading an internal team in testing potential viable options</li></ul>
<b>Challenges / Action Plans</b> <ul style="list-style-type: none"><li>• Software application between Apple and Microsoft Suite have different operating platforms and different degrees of compatibility</li></ul>	<b>Additional Information</b> <ul style="list-style-type: none"><li>• n/a</li></ul>



## PROJECT STATUS UPDATE

**Project Name 5:** Implement strategic communication plan for all key stakeholders

**Date of Update:** 07/17/2012

**Project Objective 5D:** Provide the Council and promote evaluation forms for programs and services

**Project Leader(s):** Scott Wasserman

**Estm'd Comp. Date:**

**Target Date:** 6/25/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>The Parks and Recreation Department provided Council with the program evaluation from Cinco De Mayo on June 28, 2012 via email and a subsequent CRF.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>The Parks and Recreation Department will provide the event evaluation for the Independence Day Celebration when the evaluation process is complete.</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>The Parks and Recreation Department will provide additional program evaluations and results from parent surveys, as they are completed.</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 5:** Implement strategic communication plan for all key stakeholders

**Date of Update:** 07/17/2012

**Project Objective 5E:** Develop a community committee to include neighboring cities and stakeholders to discuss/assess areas of concern

**Project Leader(s):** Ivan Altamirano, Tina Baca Del-Rio, Fernando Mendoza

**Estm'd Comp. Date:**

**Target Date:** 6/26/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Departments and City Council are actively participating on the following regional and local collaborative committees: <ul style="list-style-type: none"> <li>League of California Cities</li> <li>Gaming Cities</li> <li>Gateway Council of Governments</li> <li>Homeless Committee</li> <li>I-5 Consortium</li> <li>I-710 Project Committee</li> <li>Southeast Water Coalition</li> </ul> </li> <li>• All Departments participate in their professional regional and local committees</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• City is well represented and actively participating in a regional network of cities</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 6:** Establish protocol to ensure decision making and evaluation processes for new ideas are clear and timely.

**Date of Update:** 07/17/2012

**Project Objective 6A:** Establish Council subcommittee to meet with senior management committee to establish criteria

**Project Leader(s):** Joe Aguilar, Loretta Gutierrez, Beatriz Sarmiento, Jorge Rifa

**Estm'd Comp. Date:**

**Target Date:** 7/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• Discussions underway on how to improve communication</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• November 5, 2012 Council Workshop</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• Consideration to consolidating the following goals because of their interrelatedness</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 6:** Establish protocol to ensure decision making and evaluation processes for new ideas are clear and timely.

**Date of Update:** 07/17/2012

**Project Objective 6B:** City Council suggestion box/process (internal and external)

**Project Leader(s):** Tina Baca Del-Rio, Denise Robles, Fernando Mendoza

**Estm'd Comp. Date:**

**Target Date:** 7/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>• On-line City Council Suggestion Box drafted.</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>• Review process and suggestion box format with City Council members for final implementation</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• n/a</li> </ul>

## PROJECT STATUS UPDATE

**Project Name 6:** Establish protocol to ensure decision making and evaluation processes for new ideas are clear and timely.

**Date of Update:** 07/17/2012

**Project Objective 6C:** Communicate proper chain of command to Council (Clear communication in both directions)

**Project Leader(s):** Eduardo Olivo, Linda Olivieri

**Estm'd Comp. Date:**

**Target Date:** 7/10/2012

**Status:** Project on-track.

<p><b>Key Accomplishments</b></p> <ul style="list-style-type: none"> <li>Chain of Command Policy III-1 adopted by City Council on Jan 6, 2009</li> </ul>	<p><b>Upcoming Milestones</b></p> <ul style="list-style-type: none"> <li>Review and communicate existing Chain of Command Policy</li> </ul>
<p><b>Challenges / Action Plans</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>	<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>n/a</li> </ul>





# AGENDA REPORT

DATE: September 18, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A REPORT ON THE LOS ANGELES COUNTY'S WATER QUALITY INITIATIVE FOR CREATION OF A NEW PARCEL FEE TO ADDRESS WATER QUALITY PER THE NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM

## RECOMMENDATION:

Receive and file the report. It is recommended that Council take a neutral position on this item given our current efforts to secure and enhance our local revenue base in the wake of the State's dissolution of redevelopment.

## MOTION:

Move to approve the recommendation.

## BACKGROUND/ANALYSIS:

Every agency that discharges water from its jurisdiction into the stormwater system is regulated under a National Pollution Discharge Elimination System (NPDES) permit assigned and enforced by the State Water Quality Resources Control Board and the Los Angeles Regional Water Quality Control Board. The permit remains in effect for 5 years. A new permit, which will incorporate all new Total Maximum Daily Loads (TMDLs) regulating water quality for trash, metals, nutrients, and bacteria, will be adopted in the coming months. As a result of this new permit and more stringent water quality regulations, agencies are struggling to identify new sources of revenue to meet the requirements.

The Los Angeles County Flood Control District is proposing a new parcel-related fee for property owners based on land use, hydrology, and lot size to enhance water quality and reduce pollution in stormwater and urban runoff. This new fee, which is subject to voter approval through a Proposition 218 election process, would create an annual revenue source to fund multi-benefit water quality projects and programs. It will affect residential and commercial property owners including properties owned by the City. The estimated fees are as follows:

- Residential rate = \$54.00/year for lots between 5,000 and 10,000 square feet.
- Commercial rate = \$10,648/year for the first 10 acres of land.
- Largest commercial properties rate = up to an estimated \$40,000/year (approximately 2% of all commercial properties).

These fees would appear on the annual property tax bill as a special assessment.

Revenues received would be divided three ways, 40% to municipalities, 50% to Watershed Authority Groups (WAGs) such as the Gateway Joint Powers Authority of which Commerce is a Board Member, and 10% to the County Flood Control District for administration. Commerce could potentially receive approximately \$1.2 million in restricted funds to be used solely on projects and Best Management Practices to address water quality issues in the Los Angeles River. Cities could decide to contribute some or all of their revenues to their WAG for regional water quality projects.

The County has not released their Engineer's Report showing the methodology for establishing the fee. The Engineer's Report is critical in establishing the fee methodology and approach. Staff shared concerns with the County regarding the impact to businesses and residents and requested the fee methodology be reviewed. The County reviewed their methodology and concluded that the fees must remain as proposed. Staff met with the County to discuss the City's concerns further and suggest a targeted public outreach approach for the City. A representative of the County is present to make a presentation to the City Council and is willing to also meet with businesses and to further coordinate any public outreach with the Industrial Council.

The Los Angeles County Board of Supervisors plans to hold a public hearing on November 22, 2012 to authorize releasing a mail out ballot. Property owners will receive a notice of the hearing, fee specific to their property, and explanation for the fee in October 2012. Staff notified the Commerce Industrial Council of the proposed fee and the upcoming hearing. Agencies are divided, some support the fee based on the residential estimate while others, like the Gateway Council of Governments are not taking a position and allowing the voters to decide. Voters who do not respond to the ballot and mail it back will be counted as a yes vote. The County would need to receive at least 1 million no votes returned in order for the Initiative not to pass.

**FISCAL IMPACT:**

The City of Commerce could receive approximately \$1.2 million in restricted revenue to address water quality issues as required.

**RELATIONSHIP TO 2009 STRATEGIC GOALS:**


This agenda report item complies with Goal #2 – *Protect and Enhance Quality of Life in the City of Commerce.*

Respectfully submitted,



Jorge Rifa  
City Administrator

Recommended by:



Alex Hamilton  
Assistant Director of Community Development

Prepared by:



Gina Nila  
Environmental Services Manager

Reviewed by:



Vilko Domic  
Director of Finance

Approved as to Form:



Eduardo Olivo  
City Attorney/Counsel Attorney

File: 2012 City Council Agenda Reports  
Los Angeles County Water Quality Initiative Project





## AGENDA REPORT

DATE: September 18, 2012

**TO:** HONORABLE CITY COUNCIL

**FROM:** CITY ADMINISTRATOR

**SUBJECT:** A REPORT ON THE END OF REDEVELOPMENT, HIGHLIGHTING THE FISCAL IMPACT OF THE AGREED-UPON PRODECURES AS PERFORMED BY THE LOS ANGELES COUNTY AUDITOR-CONTROLLER -- AS PART OF AB 26, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34182 REQUIRING EACH COUNTY AUDITOR-CONTROLLER TO CONDUCT, OR CAUSE TO BE CONDUCTED, AGREED-UPON PRODECURES OF EACH FORMER REDEVELOPMENT AGENCY

**RECOMMENDATION:**

The City Council will receive a report on the end of redevelopment, highlighting the fiscal impact of the agreed-upon procedures as performed by the Los Angeles County Auditor-Controller – as part of AB 26, and pursuant to California Health and Safety Code Section 34182 requiring each County Auditor-Controller to conduct, or cause to be conducted, agreed-upon procedures of each former Redevelopment Agency, and provide appropriate direction to staff with respect thereto.

**MOTION:**

Receive and file the report.

**BACKGROUND:**

On March 14, 1974, the City of Commerce City Council (the "City") established the Commerce Redevelopment Agency (the "Agency"). Thereafter, the City Council approved and adopted the Redevelopment Plans for Project Area No. 1, Project Area No. 2 (the Town Center Project), Project Area No. 3 (the Atlantic Washington Project) and Project Area No. 4 (collectively, the "Redevelopment Plans"), covering certain properties within the City (the "Project Areas").

On November 3, 1992, the City Council created the Commerce Community Development Commission (the "Commission"). The Commission is the successor-in-interest to the Agency and was engaged in various activities necessary to execute and implement the Redevelopment Plans pursuant to the provisions of the California Community Redevelopment Law (*Health and Safety Code* § 33000, *et seq.*) ("CRL").

As part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed companion bills, Assembly Bill X1 26 ("AB 26") and Assembly Bill X1 27 ("AB 27"), requiring that each redevelopment agency in the State be dissolved unless the community exercised the option to continue with a modified form of redevelopment under AB 27.

Subsequently, the League of California Cities, the California Redevelopment Association and the cities of San Jose and Union City filed a lawsuit with the California Supreme Court, entitled *California Redevelopment Association et al., v. Ana Matosantos*, challenging the constitution of AB 26 and AB 27.

On December 29, 2011, the California Supreme Court upheld the constitutionality of AB 26 which abolished redevelopment agencies. The Supreme Court also held that AB 27 was unconstitutional. Thus, effective, February 1, 2012, redevelopment agencies throughout the State were abolished and cannot continue on with any redevelopment activities.

As part of AB 26, California Health and Safety Code (HSC) Section 34182 requires each county Auditor-Controller (A-C) to conduct, or cause to be conducted, agreed-upon procedures (AUP) of each former redevelopment agency (RDA or Agency) in their respective county by July 1, 2012. On June 27, 2012, State Assembly Bill 1484 (AB 1484) extended the July 1 deadline to October 1, 2012. The audits are to establish each RDA's assets and liabilities; to document and determine each agency's pass-through payment obligations to other taxing entities; and to determine and document the amount and terms of any indebtedness incurred by the former RDA.

#### **ANALYSIS:**

The Los Angeles County Auditors-Controller (LACA-C) has completed the AUP engagement of the City's redevelopment program, the results of which are attached. The procedures performed were agreed upon by the California State Controller's Office, California Department of Finance (Finance), and Los Angeles County (LACA-C). The initial Recognized Obligation Payment Schedule (ROPS) was prepared by, and is the responsibility of, the RDA's Successor Agency's management.

Some of the AUP required legal determinations of whether the obligations were properly authorized, complied with applicable laws and regulations, and were binding on the Agency. The LACA-C has utilized the Office of the County Counsel to provide the legal determinations required by the AUP. The results of County Counsel's legal analysis are presented in Attachment E.

Except for those obligations listed as "questionable" or "unenforceable", the obligations that were reviewed are, to the best of the LACA-C's knowledge, allowable pursuant to the HSC prior to the passage of AB 1484. Questionable obligations identified during this engagement are summarized in Exhibit 1.

The AUP were completed by Simpson & Simpson, LLP, an independent Certified Public Accounting (CPA) firm, and LAC A-C staff. The attached documents constitute the report on the AUP and include a summary of the review of a sample of obligations from the Agency's ROPS (**Exhibit 1**); the AUP (**Attachment A**); the results of procedures performed by the independent CPA firm (**Attachments B and C**); and the results of procedures performed by LACA-C staff (**Attachment D**). In addition, attached is an analysis prepared by our County Counsel (**Attachment E**) for those ROPS items that required additional review; and a copy of the Finance ROPS review and final approval letter (**Attachment F**).

The AUP is currently being reviewed by the Department of Finance and a final determination is scheduled within 45 days of the transmittal date of August 23, 2012.

#### On the Horizon

<b>ROPSIII</b>	Submission Due	Finance Review Completion	RPTTF Distribution
<b>Jan-June 2013</b>	September 1, 2012	October 15, 2012	January 2, 2013

**Note:** Staff submitted ROPSIII in late August. Per the Los Angeles Auditor-Controller Office, a projected amount of approximately \$9.4 million is scheduled to be allocated to the City. However, staff is predicting that the allocation will be closer to \$5.7 million. Basis for staff's projected allocation – it has been conveyed that the DOF are largely premising their calculation on an agency's expenditures for the January – June 2012 timeframe and adjusting for any new items that are recognized as legitimate.

<b>LMIHF Due Diligence Review</b>	Submission Due October 1, 2012	OB Determination October 15, 2012	Finance Review Completion November 9, 2012
-------------------------------------------	-----------------------------------	--------------------------------------	-----------------------------------------------

**Note:** Auditors are currently conducting a “Due Diligence Review” of the City’s Low-Moderate Housing Fund. This review will list all encumbered and unencumbered low-and-moderate income housing fund assets, and will state whether or not those assets are encumbered by Enforceable Obligations. The DOF will review the submittal and determine which low-mod fund assets are not encumbered by Enforceable Obligations.

The City currently has approximately **\$23 million** in the low-mod fund. As part of the ROPS process, those funds have been earmarked specifically for contaminated properties held by the Successor Agency.

Disposition of the remaining sites, as described in the prepared and approved ROPS/EOPS, require that the set aside funds and reserved tax increment remain for cleanup allocation as no further tax increment, other State or County resources will be allocated for environmental remediation. Without remediation the sites may remain unsold and non-developable. The Successor and Oversight Boards have included in their disposition plans the use and allocation of the existing tax increment funds to achieve the highest possible sale price for each property. The Successor and Oversight Boards have approved through the ROPS the allocation of remediation amounts that are estimated to achieve State of California Regional Water Quality Control Board (RWQCB), Department of Toxic Substance Control (DTSC), Los Angeles County and other oversight jurisdiction approvals prior to sale and development of each site.

**Unfortunately, all signs point that the DOF will request that said funds be remitted to them sometime in late November.**

<b>All Other Funds &amp; Accounts Due Diligence Review</b>	Submission Due December 15, 2012	OB Determination January 15, 2013	Finance Review Completion April 1, 2013
------------------------------------------------------------------------	-------------------------------------	--------------------------------------	--------------------------------------------

By January 15, 2013, Successor Agencies must provide the DOF a second Oversight Board-approved Due Diligence Review. This review will list all encumbered and unencumbered assets of the Successor Agency that are from sources than the low-mod fund. The review also will state whether or not these assets are encumbered by Enforceable Obligations. The DOF has until April 1, 2013 to finalize its review of the submittal, and determine which assets are not encumbered by Enforceable Obligations.

Staff is estimating that approximately **\$1 million** will remain in reserves. It is unclear at this time what the DOF will do with these funds – meaning; that the DOF could request that the remaining funds be remitted to them, or that the funds remain with the Successor Agency to address any shortfalls that may occur in the future (i.e. any debt service obligations that we are legally bound to).

**FISCAL IMPACT:**

Premised on the results and findings of the AUP, staff is cautiously optimistic that the Department of Finance will render a positive decision to our AUP.

**What does that mean?** A final determination rendered by the Department of Finance could result in the City’s General Fund absorbing anywhere between approximately **\$750,000 and \$1.35 million** in salary/benefit/operational expenses for FY 2011-12. This range is very similar to the amounts that were presented to the City Council / Successor Agency earlier this calendar year. Staff is hopeful that the impact to the General City is less than projected, potentially affording the City Council some discretionary funds for much needed capital items.

**The Bottom Line** – With the loss of redevelopment, the City has been stripped of its most important local economic development tool – its redevelopment program which generated **\$19 million** per year in revenue for the City.

In addition, Sacramento will take in excess of **\$50 million** dollars in property and assets from Commerce which could have been used for infrastructure & facilities repair, housing, & environmental cleanup in the City.

The loss of this economic tool will test the fortitude of the city decision makers as it embarks down a new path of balancing the needs of the community with less resource.

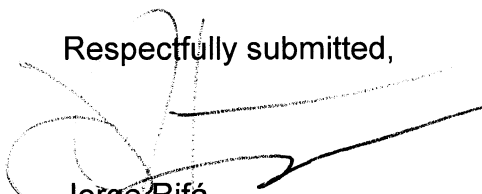
What this does is two things essentially – defers the ability to address blighted areas that still exist in the city and/or forces City leaders to look at alternative methods (absorbing expenses in the General Fund or implementing a new revenue source) of funding (other than tax increment and/or bond monies) to address the deficiencies that currently exist.

Recommended by:



Vilko Domic  
Director of Finance

Respectfully submitted,



Jorge Rifa  
City Administrator

Approved as to Form



Eduardo Olivo  
City Attorney

**Attachments:**

Exhibit 1 - Summary of the review of a sample of obligations from the Agency's ROPS

Attachment A – AUP

Attachment B & C – Results of procedures performed by the independent CPA firm

Attachment D - Results of procedures performed by LACA-C staff

Attachment E – Analysis prepared by our County Counsel for ROPS items that require additional review

Attachment F – Finance ROPS review and final approval letter



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 23, 2012

Honorable John Chiang  
Controller, State of California  
P.O. Box 942850  
Sacramento, CA 94250-5872

Dear Mr. Chiang:

**REPORT ON AGREED-UPON PROCEDURES AUDIT PURSUANT TO ABX1 26  
OF THE FORMER REDEVELOPMENT AGENCY OF  
THE CITY OF COMMERCE**

California Health and Safety Code (HSC) Section 34182 requires each county Auditor-Controller (A-C) to conduct, or cause to be conducted, an agreed-upon procedures (AUP) of each former redevelopment agency (RDA or Agency) in their respective county by July 1, 2012. On June 27, 2012, State Assembly Bill 1484 (AB 1484) extended the July 1 deadline to October 1, 2012. The audits are to establish each RDA's assets and liabilities; to document and determine each agency's pass-through payment obligations to other taxing entities; and to determine and document the amount and terms of any indebtedness incurred by the former RDA.

We have completed the AUP engagement of the former RDA of the City of Commerce, the results of which are attached. The procedures performed were agreed upon by the California State Controller's Office, California Department of Finance (Finance), and Los Angeles County (LAC) A-C. The initial Recognized Obligation Payment Schedule (ROPS) was prepared by, and is the responsibility of, the RDA's Successor Agency's management. Our responsibility was to apply the AUP.

Some of the AUP required legal determinations of whether the obligations were properly authorized, complied with applicable laws and regulations, and were binding on the Agency. We have utilized the Office of the County Counsel to provide the legal determinations required by the AUP. The results of County Counsel's legal analysis are presented in Attachment E.

Except for those obligations listed as "questionable" or "unenforceable", the obligations we reviewed are, to the best of our knowledge, allowable pursuant to the HSC prior to the passage of AB 1484. Questionable obligations identified during this engagement

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are summarized in Exhibit 1. Supporting documentation related to terms and amounts for each obligation reviewed during this engagement are available for review upon request.

The AUP were completed by Simpson & Simpson, LLP, an independent Certified Public Accounting (CPA) firm, and LAC A-C staff. The attached documents constitute our report on the AUP and include a summary of the review of a sample of obligations from the Agency's ROPS (Exhibit 1); the AUP (Attachment A); the results of procedures performed by the independent CPA firm (Attachments B and C); and the results of procedures performed by A-C staff (Attachment D). In addition, we have attached an analysis prepared by our County Counsel (Attachment E) for those ROPS items that required additional review; and a copy of the Finance ROPS review and final approval letter (Attachment F).

This report is intended solely for the information and use of the LAC A-C, the Successor Agency, the Successor Agency Oversight Board, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

If you have any questions regarding these reports, please contact the RDA Audit Manager at [RDAaudits@auditor.lacounty.gov](mailto:RDAaudits@auditor.lacounty.gov).

Very truly yours,

Wendy L. Watanabe  
Auditor-Controller

WLW:JET:JLS:SJL

Attachments

- c: Ana J. Matosantos, Director, California Department of Finance  
Successor Agency Oversight Board  
Wilko Domic, Treasurer/ Director of Finance, Successor Agency of the Former RDA  
for the City of Commerce

**Review of a Sample of Obligations from the Recognized Obligation Payment Schedule for the Successor Agency of the City of Commerce RDA**

State Department of Finance – Approval Letter

The State Department of Finance (Finance) approved all items listed on the ROPS. As a result, the original Recognized Obligation Payment Schedule (ROPS) submitted by the successor agency, City of Industry totaled **\$212,474,007.16**. The final ROPS approved by Finance totaled **\$212,474,007.16**.

Questionable Obligations

The agreed-upon procedures performed by the independent CPA firm and the Auditor-Controller (A-C) determined that the following sample items for period January to June 2012 were questionable obligations:

Project Name/Debt Obligation	Description	Total Outstanding Debt or Obligation
Parcel Maintenance	Monitoring Methane Sytm - Construction	\$150,000
Legal Costs	Project Area 1	50,593
4957 Sheila	PA 1 Environmental Clean-up	5,471,125
4901/4909 Washington	PA 1 Environmental Clean-up	1,233,375
Veteran's Park	Environmental Clean-up / Site Debris; Settling / Facility Repair & Construction	4,000,000
Contract for Consulting Svcs	PA 2 Legal Services Project Related	100,000
Contract for Eng/Contract Svcs	PA 2 General Contractor Site Demolition / Clearance costs	250,000
Continuing Disclosure	PA 2 Urban Futures Bond Related	153,000
Citadel	PA 2 Environmental Clean-up	600,000
Telegraph Road Corridor Project	PA 2 Environmental Clean-up	5,581,813
Continuing Disclosure	PA 3 Urban Futures - Bond Related	153,000
Washington Blvd Improvement	Various -Reconstruction Project	100,000
1350 Eastern/Triggs	PA 3 Environmental Clean-up	7,874,625

Sub total \$25,717,531

Questionable Obligations (cont'd)

<b>Project Name/Debt Obligation</b>	<b>Description</b>	<b>Total Outstanding Debt or Obligation</b>
1338 Eastern/Single Family	PA 3 Environmental Clean-up	3,510,375
Property Maintenance	Various -Agency Owned Property Maintenance	590,448
Contract for Eng/Contract Svcs	General Contractor - Site Demolition / Clearance costs	500,000
Legal Costs	PA 4	77,583
Continuing Disclosure	Urban Futures - Bond Related	153,000
Washington Blvd Improvement	Various -Reconstruction Project	250,000
Citadel	PA 4 Environmental Clean-up	3,115,063
Telegraph Road Corridor Project	PA 4 Environmental Clean-up	5,581,813
Costco	PA 4 Environmental Clean-up	1,081,575
4560 Washington	PA 4 Environmental Clean-up	5,376,250
4800 Washington	PA 4 Environmental Clean-up	980,375

Total \$46,934,012

In addition, the CPA firm also identified \$20,583,000 in questionable obligations subsequently removed from the ROPS.

Unenforceable Obligations

The legal analysis performed by our County Counsel identified \$17,700,000 in unenforceable obligations that were subsequently removed from the final approved ROPS.

June 2012 Disbursement to Successor Agency

The total obligations approved for the six-month period from July 1 to December 31, 2012 by Finance is **\$8,833,553.00**. Based on the available RDA funds, less pass-through payments paid directly by the A-C and the administrative fees, the A-C remitted **\$5,775,849.17** for the six-month period from July 1 to December 31, 2012 to the successor agency, City of Lakewood on June 1, 2012.



**County of Los Angeles  
Report on Applying Agreed-Upon Procedures  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California**

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**S&S**

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**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California**

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Wendy L. Watanabe  
Los Angeles County Auditor-Controller  
500 West Temple Street, Suite 525  
Los Angeles, California 90012

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the agreed upon procedures enumerated in the Auditor-Controller's statement of work, Attachment A, which were generally agreed to by the California State Controller's Office, Department of Finance, and the Los Angeles County Auditor-Controller, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to ABX1 26. Management of the successor agency, **City of Commerce, California** is responsible for the accounting records pertaining to statutory compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures at your direction as set forth in Attachment A. Attachment B identifies the findings noted as a result of the procedures performed.

The Enforceable Obligation Payment Schedule (EOPS) and Recognized Obligation Payment Schedule (ROPS) in Attachment B-1 and Attachment B-2, respectively, are provided by the Auditor-Controller. Attachment C is the Comparative Asset Balance Schedule.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Comparative Assets Balance Schedule, the EOPS, the ROPS, or as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County, the successor agency, City of Commerce, California, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Simpson & Simpson*

Los Angeles, California  
May 29, 2012



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County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California

AGREED-UPON PROCEDURES AND RESULTS

**A. Redevelopment Agency Dissolution and Restrictions**

For each former RDA reviewed, perform the following:

1. Based on the Enforceable Obligation Payment Schedule (EOPS) for the period August 1 through December 31, 2011 provided by the Auditor-Controller (see Attachment B-1):
  - a. For each obligation highlighted in yellow with black font on the EOPS, identify the payee, a description of the nature of the work/service agreed to, and the amount of payment(s) made by month through December 31, 2011, and compare it to the legal document that forms the basis for the obligation. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

For each obligation highlighted in yellow with red font on the EOPS, obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as "questionable" in the AUP report.

***Result***

No exceptions were found as a result of applying the procedure.

- b. Identify all obligations listed on the EOPS that were entered into after June 29, 2011.

***Result***

No exceptions were found as a result of applying the procedure.

2. Based on the EOPS for the period January 1 through June 30, 2012 provided by the Auditor-Controller (see Attachment B-1):
  - a. Identify and document the project name and project area associated with each obligation.

***Result***

No exceptions were found as a result of applying the procedure.

County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California

AGREED-UPON PROCEDURES AND RESULTS

A. Redevelopment Agency Dissolution and Restrictions (Continued)

2. Based on the EOPS for the period January 1 through June 30, 2012 provided by the Auditor-Controller (see Attachment B-1) (Continued):

- b. For each obligation highlighted in yellow with black font on the EOPS, identify the payee, a description of the nature of the work/service agreed to, and the amount of payment(s) to be made by month through June 30, 2012, and compare it to the legal document that forms the basis for the obligation. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

For each obligation highlighted in yellow with red font on the EOPS, obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as "questionable" in the AUP report.

**Result**

No exceptions were found as a result of applying the procedure.

- c. Identify all obligations listed on EOPS that were entered into after June 29, 2011.

**Result**

No exceptions were found as a result of applying the procedure.

3. With regard to the Low and Moderate Income Housing Fund (L&M Fund) of the former redevelopment agency:

- a. Inquire and document whether the former redevelopment agency transferred the L&M Fund to the successor agency.

**Result**

The successor agency, City of Commerce, has represented to us that the L&M Fund was not transferred to the successor agency. The L&M Fund will be processed by the successor agency as required by ABx 1 26.

County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California

AGREED-UPON PROCEDURES AND RESULTS

A. Redevelopment Agency Dissolution and Restrictions (Continued)

3. With regard to the Low and Moderate Income Housing Fund (L&M Fund) of the former redevelopment agency (Continued):

- b. If the L&M Fund was transferred, document the date of transfer and summarize the manner in which the transfer was performed. (e.g., the accounting fund, X, and bank account, Y, were retitled in the name of the successor agency).

*Result*

The L&M Fund was not transferred to the successor agency; therefore, the procedure was not performed.

- c. Document the total value of the L&M Fund transferred to the redevelopment agency's successor agency and the date of transfer.

*Result*

The L&M Fund was not transferred to the successor agency; therefore, the procedure was not performed.

4. With regard to the housing activities and assets of the former redevelopment agency:

- a. Inquire and document whether the housing activities and/or assets were transferred to the successor agency.

*Result*

The successor agency, City of Commerce, has represented to us that the housing activities and assets were not transferred to the successor agency, but to the City of Commerce who elected to retain the responsibility for performing the housing functions previously performed by the former RDA.

County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California

**AGREED-UPON PROCEDURES AND RESULTS**

**A. Redevelopment Agency Dissolution and Restrictions (Continued)**

4. With regard to the housing activities and assets of the former redevelopment agency (continued):
- b. If housing activities were transferred, obtain the underlying documentation authorizing the transfer (e.g. resolution of the city or county assuming the housing activity from the redevelopment agency).

***Result***

Housing activities and/or assets were not transferred to the successor agency; therefore, the procedure was not performed.

- c. If the transfer included assets, obtain a list of the assets and their reported value from the successor agency.

***Result***

Housing activities and/or assets were not transferred to the successor agency; therefore, the procedure was not performed.

**B. Successor Agency**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency:
- a. Inquire and document whether the former redevelopment agency transferred its administrative responsibilities to the successor agency (e.g., documents and records, etc), and the date of the transfer.

***Result***

The successor agency, City of Commerce, has represented to us that the administrative responsibilities of the former redevelopment agency were transferred to the successor agency for the RDA on February 1, 2012 per Resolution No 12-8 adopted on January 17, 2012 and also Resolution No SA 12-2 adopted on April 17, 2012.

- b. Inquire whether the former redevelopment agency transferred assets other than real property to the successor agency.

County of Los Angeles  
 Agreed-Upon Procedures Engagement  
 Pursuant to the Redevelopment Agency  
 Dissolution Bill (ABx1 26) of 2011  
 Successor Agency  
 City of Commerce, California

**AGREED-UPON PROCEDURES AND RESULTS**

**B. Successor Agency (Continued)**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency (Continued):

*Result*

The successor agency, City of Commerce, has represented to us that the former redevelopment agency of the City of Commerce transferred assets other than real property to the successor agency.

- c. If assets other than real property were transferred, document the transfer date, and summarize the manner in which the transfer(s) were performed (e.g., accounting fund, X, and bank account, Y, were renamed in the name of the successor agency), and the total value of the assets transferred.

*Result*

The successor agency, City of Commerce, transferred assets other than real property by means of assigning the former RDA Funds to the Successor Agency as of February 1, 2012 when the dissolution bill went into effect and the Successor Agency came into existence. Fund numbers and titles of the former RDA remained the same, no journal or general ledger entries were recorded and no new bank account was established. The successor agency has provided us with trial balances of the former RDA assets other than real property as of January 31, 2012.

Date	Assets	Balance
2/1/2012	Cash and investments	\$ 4,804,396
2/1/2012	Cash and investments with fiscal agent	14,008,743
2/1/2012	Loan receivable	33,469
2/1/2012	Lease receivable	70,920
2/1/2012	Deposit in escrow	250,000
2/1/2012	Unamortized bond issuance cost	1,826, 579
2/1/2012	Furniture and fixtures	90,861
	<b>Total Assets other than real property transferred to the successor agency for the RDA</b>	<b>\$ 21,084,968</b>



County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California

AGREED-UPON PROCEDURES AND RESULTS

**B. Successor Agency (continued)**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency (continued):
- d. Inquire if real property was transferred from the former redevelopment agency to the successor agency.

**Result**

The successor agency, City of Commerce, has represented to us that no action has been taken to change the titles of the real property of the former RDA and that transfer of real property occurred by means of assigning the former RDA Funds to the Successor Agency as of January 31, 2012 when the dissolution bill went into effect and the Successor Agency came into existence.

The successor agency has also represented to us that several real properties that were in the name of the former RDA were transferred to the City of Commerce (City), based on the assertion that such properties properly constitute collateral for loans made by the City to the former RDA that the City had an equitable ownership in at least one of the properties. The City and the former RDA authorized such transfers pursuant to the Resolutions 499 and 500, and provided for such properties to be held in trust until the legal issues raised in connection with the City loans and that are being addressed in the case of City of Cerritos, et. Al v. State of California, et. al., Case No. 34-2011-80000952, are fully adjudicated.

- e. If real property was transferred, examine and document evidence of the transfer(s), such as re-recorded titles filed at the Registrar-Recorder/County Clerk.

**Result**

Real property was not transferred to the successor agency; therefore, the procedure was not performed.

3. Determine if the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.

**Result**

The successor agency, City of Commerce, established the Redevelopment Obligation Retirement Fund (RORF) in its accounting system by creating new Fund No. 92 titled "RORF".

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AGREED-UPON PROCEDURES AND RESULTS

**B. Successor Agency (continued)**

4. Obtain audited financial statements of the redevelopment agency for the fiscal years ended June 30, 2010 and June 30, 2011. Prepare a schedule listing the name and balance of each asset shown in the government-wide financial statements for each of the two years, as of June 30th (or fiscal year end, if different). Obtain unaudited asset balances as of January 31, 2012 from the successor agency which are comparable to the 2010 and 2011 amounts and include those on the schedule (marked as "unaudited"). If the successor agency is unable to provide comparable balances, indicate the reason and leave the 2012 column blank. Include the comparative asset listing as an attachment to the AUP report.

**Result**

We performed the procedure and the result is presented in the Comparative Asset Balance Schedule in Attachment C.

**C. Draft Recognized Obligation Payment Schedule (ROPS)**

5. Obtain a list of all payments from the successor agency's general ledger for the period February 1 through May 7, 2012. Trace and agree all payments made by the successor agency to a corresponding obligation on the draft ROPS provided by the Auditor-Controller (Attachment B-2). Note any discrepancies.

**Result**

Except for the discrepancies described in Finding Nos. 4 and 5 in Attachment B, no exceptions were found as a result of applying this procedure.

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**AGREED-UPON PROCEDURES AND RESULTS**

**C. Draft Recognized Obligation Payment Schedule (ROPS) (Continued)**

6. Compare each obligation highlighted in yellow with black font on the ROPS provided by the Auditor-Controller (Attachment B-2) to the legal document that forms the basis for the obligation (e.g. contract, bond indenture, etc.) Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as “questionable” in the AUP report.

For each obligation highlighted in yellow with red font on the ROPS provided by the Auditor-Controller (Attachment B-2), obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as “questionable” in the AUP report.

***Result***

Except for the discrepancies described in Findings 1, 2, and 3 in Attachment B, no exceptions were found as a result of applying the procedure.



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**SCHEDULE OF FINDINGS**

Finding No. 1 – Supporting Documentation for Obligations Was Not Provided

In performing procedure C.6, the following obligations are noted as questionable.

The successor agency, City of Commerce, did not provide the supporting documentation for the following obligations on the ROPS (highlighted in yellow with black font).

Project No	ROPS No	Project Name / Debt Obligation	Payee / Description	Obligation Amount	
1	12	7025 Slauson	N/A/Environmental Clean-up	\$ 2,783,000	<a>
2	10	Continuing Disclosure (Debt Service - Bond Issuance)	Urban Futures/Bond Related Continuing Disclosure	\$ 153,000	<b>
3	8	Continuing Disclosure (Debt Service - Bond Issuance)	Urban Futures/Bond Related Continuing Disclosure	\$ 153,000	<b>
4	13	Continuing Disclosure (Debt Service - Bond Issuance)	Urban Futures/Bond Related Continuing Disclosure	\$ 153,000	<b>

<a> The successor agency, City of Commerce, has represented to us that the obligation was subsequently removed from the amended ROPS; and therefore, no longer applicable.

<b> These items were duplicated items and were already reported as item number 9 of Project Area number 1.

Also, the successor agency, City of Commerce, did not provide supporting documentation for the following obligations on the ROPS (highlighted in yellow with red font). According to the City Attorney's memo provided to us, the City will not request repayments for these city loans. Based on our discussion with the Director of Finance, the Successor Agency will remove these items from the amended ROPS.

Project No	ROPS No	Project Name / Debt Obligation	Payee	Obligation Amount
1	1	City Loan entered into on 3/3/1992	City of Commerce	\$ 6,000,000
1	2	City Loan entered into on 6/16/1986	City of Commerce	\$ 600,000
3	1	City Loan entered into on 6/16/1986	City of Commerce	\$ 100,000
4	2	City Loan entered into on 4/16/2002	City of Commerce	\$ 5,700,000
4	3	City Loan entered into on 11/2/1999	City of Commerce	\$ 5,000,000
4	4	City Loan entered into on 6/16/2002	City of Commerce	\$ 400,000

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**SCHEDULE OF FINDINGS**

Finding No. 2 – Obligation Amount Did Not Agree with Supporting Documentation

In performing procedure C.6, the following obligations are noted as questionable.

We noted that the obligation amount did not agree with the supporting documentation for the following obligations on the ROPS (highlighted in yellow with black font).

Project No.	ROPS No	Project Name / Debt Obligation	Payee / Description	Obligation Amount	Amount Per Support
1	7	Parcel Maintenance	Structural Materials/ Monitoring Methane Sytm - Construction	\$ 150,000	\$ 147,366
2	7	Property Purchase Settlement	Property Owner/ Telegraph Corridor Project	\$ 1,300,000	\$ 1,280,000
2	11	HCD Note	Commerce Senior/Housing Construction Loan Program	\$ 236,000	\$ 235,112

Finding No. 3 – Insufficient Documentation

In performing procedure C.6, the following obligations are noted as questionable.

The successor agency, City of Commerce, did not provide sufficient supporting documentation for the following obligations on the ROPS (highlighted in yellow with black font):

Proj No	ROPS No	Project Name / Debt Obligation	Payee / Description	Obligation Amount	
4	18	4650 Washington	N/A/Environmental Clean-up	\$ 5,376,250.00	<a>
1	11	4901/4909 Washington	N/A/Environmental Clean-up	\$ 1,233,375.00	<a>
3	10	1350 Eastern/Triggs	N/A/Environmental Clean-up	\$ 7,874,625.00	<a>
4	19	4800 Washington	N/A/Environmental Clean-up	\$ 980,375.00	<a>
1	10	4957 Sheila	N/A/Environmental Clean-up	\$ 5,471,125.00	<a>
2	12	Citadel	N/A/Environmental Clean-up	\$ 3,115,062.50	<a>
4	15	Citadel	N/A/Environmental Clean-up	\$ 3,115,062.50	<a>
2	13	Telegraph Road Corridor Project	N/A/Environmental Clean-up	\$ 5,581,812.50	<a>
4	16	Telegraph Road Corridor Project	N/A/Environmental Clean-up	\$ 5,581,812.50	<a>
3	11	1338 Eastern/Single Family	N/A/Environmental Clean-up	\$ 3,510,375.00	<a>
4	17	Costco	N/A/Environmental Clean-up	\$ 1,081,575.00	<a-1>
1	8	Legal Costs	Various/Legal Services	\$ 50,593.39	<b>
4	12	Legal Costs	Various/Legal Services	\$ 77,583.00	<b>
1	13	Veteran's Park	N/A/Environmental Clean-up/ Site Debris	\$ 4,000,000.00	<c>

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**SCHEDULE OF FINDINGS**

Finding No. 3 – Insufficient Documentation (Continued)

Proj No	ROPS No	Project Name / Debt Obligation	Payee / Description	Obligation Amount	
2	6	Contract for Eng/Contract Svcs	General Contractor/Site Demolition / Clearance costs	\$ 250,000.00	<d>
4	10	Contract for Eng/Contract Svcs	General Contractor/Site Demolition / Clearance costs	\$ 500,000.00	<d>
3	9	Washington Blvd Improvement	Various/Reconstruction Project	\$ 575,019.00	<e>
4	14	Washington Blvd Improvement	Various/Reconstruction Project	\$ 3,258,441.00	<e>
4	6	Property Maintenance	Various/Maintenance and Repair	\$ 590,448.00	<f>
2	5	Contract for Consulting Svcs	Legal service/ Project related	\$ 100,000.00	<g>
1	7	Parcel Maintenance	Structure materials/Monitoring MethaneSytm	\$ 90,000.00	<h>

- <a> The successor agency provided us an environmental clean-up cost spreadsheet which includes estimated costs of demolition, consulting, analysis, testing, insurance liability, remediation, and closeout. However, we were not provided with any contracts with the third party.
- <a-1> In addition to an environmental clean-up cost spreadsheet in Note <a> above, the successor agency provided us a contract with Costco. However, the contract did not specifically list the obligation amount.
- <b> On the ROPS, the payee information listed “various parties”. Upon request for the legal documentation supporting the obligation, the successor agency provided us with services agreements and invoices from an attorney firm called Olivia & Plasencia and Pierce Law Firm, for legal services which include services for RDA. However, the agreements with the law firms list hourly fee rate schedules, but do not specifically list the obligated amounts.
- <c> The successor agency provided us with agenda reports, Physical needs assessment cost estimates and Project Summary for Veteran’s Park remediation. However, there were no third party contracts provided.
- <d> The successor agency provided us with demolition costs estimate prepared by a third party. However, according to the Director of Finance, no contract was entered.
- <e> The successor agency provided us a Memorandum of Understanding between Los Angeles County Metropolitan Transportation Authority and the City regarding a capital project which requires local fund match and a City’s agenda report which specifies RDA contribution amounts. However, no construction contract was entered into.

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**SCHEDULE OF FINDINGS**

Finding No. 3 – Insufficient Documentation (Continued)

- <f> The successor agency provided us a service agreement between the Former RDA and ADCO Services, Inc. However, the agreement does not specifically list the obligated amount. Through our discussion with the Director of Finance, the obligated amount was reported based on an estimate for the services to be retained for future year(s). Although the agreement was executed before June 29, 2011 for the RDA, we were unable to agree the amount obligated to the agreement.
- <g> The successor agency provided us an agreement with a law firm. However, the agreement does not specifically list the obligation amount.
- <h> The successor agency provided us with email correspondence from a consultant. The obligation amount is based on a consultant's estimation. However, no basis of estimation was provided to support the obligation amount.

Finding No.4 – Payments Made Not Listed on the Draft ROPS

In performing procedure C.5, we noted that the following payments were not included in the draft ROPS.

<b>Payee</b>	<b>Description</b>	<b>Post Date</b>	<b>Payment Amount</b>
AMEC Geometric Consultants Inc.	Professional Services	2/7/2012	\$ 988.23
Blodgett/Bayllosis Associates.	Skig Draft Eir Review	2/7/2012	\$ 1,470.00
Catering by Hearch and ARA	Invoice# 9-08-11-01 Dtd 9/8/2011	2/7/2012	\$ 131.80
A-Custom Construction Co.	Emergency Repairs -- 5819 & 5823 Telegraph Rd	2/7/2012	\$ 900.00
Dekra-Lite	Additional Street Light Pole Adapters	2/21/2012	\$ 991.69
U.S. Bank Corporate Payment System	Amazon 1/22 - Swingline Electrical Stapler	2/23/2012	\$ 205.04
Eagle Aerial Imaging	Aerial Images	3/6/2012	\$ 10,941.29
GCR Marketing Network	City Demographics Template	3/6/2012	\$ 50.00
Environmental Outsource Inc.	Invoice #6008 -- Waste Removal	4/3/2012	\$ 277.00
Environmental Outsource Inc.	Invoice #5617 -- Waste Removal	4/3/2012	\$ 277.00
First American Corelgic	Subscription And Membership	4/18/2012	\$ 3,740.00
U.S. Bank Corporate Payment System	Visa Stmt 3/22 Robert Zarrilli	4/25/2012	\$ 234.00
A-Custom Construction Co.	5819 Telegraph Rd	4/25/2012	\$ 9,358.00
Total			\$ 29,564.05



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**SCHEDULE OF FINDINGS**

Finding No. 5 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS

In performing procedure C.5, we noted the following discrepancies between the payments made by the successor agency, City of Commerce for the period from February 1 through May 7, 2012 and the obligation amounts on the draft ROPS provided by the Auditor-Controller.

- Eighteen (18) payments totaling \$16,962.63 were paid to the following payees. According to the Successor Agency, these payments are associated with ROPS number 6 of the project number 4. However, the payee information on the ROPS states “Various Parties” and the Successor Agency did not have a schedule to specify the obligated amount corresponding to payees; as such, we were unable to verify if the payments were related to this obligation as claimed.

<b>Payee</b>	<b>Description</b>	<b>Post Date</b>	<b>Payment Amount</b>
ADCO Services, Inc.	Landscaping Services -- December 2011	2/7/2012	\$ 875.00
ADCO Services, Inc.	Landscaping Services -- December 2011	2/7/2012	\$ 350.00
ADCO Services, Inc.	Landscaping Services -- PA4	2/7/2012	\$ 4,300.00
ADCO Services, Inc.	Landscaping Services -- January 2012	3/20/2012	\$ 875.00
ADCO Services, Inc.	Landscaping Services -- January 2012	3/20/2012	\$ 350.00
CA Water Service Co.	California Water Service Co: Open PO For Water Svc 88	2/8/2012	\$ 278.29
CA Water Service Co.	Open PO For Water Svc 83: Acct# 2307730200	2/15/2012	\$ 171.49
CA Water Service Co.	Open PO For Water Svc 88: Acct# 7173577777	2/15/2012	\$ 59.89
CA Water Service Co.	Open PO For Water Svc 88: Acct# 3254577777	2/15/2012	\$ 101.98
CA Water Service Co.	Open PO For Water Svc 88: Acct# 3848277777	2/15/2012	\$ 58.54
CA Water Service Co.	Open PO For Water Svc 88: Acct# 7581099260	2/15/2012	\$ 58.54
CA Water Service Co.	Open PO For Water Svc 88: Acct# 7173577777	3/7/2012	\$ 54.03
CA Water Service Co.	Open PO For Water Svc 88: Acct# 3254577777	3/7/2012	\$ 102.17
CA Water Service Co.	Open PO For Water Svc 88: Acct# 2307730200	3/7/2012	\$ 182.70
CA Water Service Co.	Open PO For Water Svc 88: Acct# 3254577777	4/11/2012	\$ 102.17
CA Water Service Co.	Open PO For Water Svc 88: Acct# 7173577777	4/11/2012	\$ 57.35
City National Bank	9/1/11-11/30/11 Annual Average Market Value Fee	2/21/2012	\$ 4,601.18
City National Bank	Fees For The Period 12/01/11-2/29/12	4/17/2012	\$ 4,384.30
<b>Total</b>			<b>\$ 16,962.63</b>

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**SCHEDULE OF FINDINGS**

Finding No. 5 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS (Continued)

In performing procedure C.5, we also noted the following discrepancies between the payments made by the successor agency, City of Commerce for the period from February 1 through May 7, 2012 and the obligation amounts on the draft ROPS provided by the Auditor-Controller.

Actual Payment					Per Draft ROPS									
Vendor	Description	GL Date	Check Number	Distribution Amount	Project #	ROPS Ref#	Project Name/ Debt Obligation	Total Due During Fiscal Year	Jan	Feb	Mar	Apr	May	Jun
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) OCCIDENTAL PETROLEUM	2/7/2012	19481	\$1,476.45										
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) BOXFORD/SA FEW AY	2/7/2012	19481	\$3,908.25										
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) 1417 EASTMAN/CONTES SA	2/7/2012	19481	\$955.35										
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) SHEILA STREET VACATION	2/7/2012	19481	\$1,563.30										
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) 6100 GARFIELD AVENUE	2/7/2012	19481	\$1,910.70										
TRANSTECH	ENGINEERING SERVICES -- (DECEMBER) 4559 SHEILA/BNSF	2/7/2012	19481	\$1,129.05										
TRANSTECH	MISC. ENGINEERING SUPPORT SERVICES (JOB #1003) - DECEMBER 2011	2/7/2012	19481	\$217.13										
URBAN FUTURES INC.	HOURLY CONSULTING SERVICES, COMPLIANCE CERT. INV#0112-011	2/7/2012	19483	\$750.00										
TRANSTECH	MISC. ENGINEERING SUPPORT SERVICES (JOB #1003) - JANUARY 2012	3/6/2012	19802	\$217.13										
\$12,127.36					1	6	Contract for Consulting Svcs	20,000.00						20,000.00

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**SCHEDULE OF FINDINGS**

**Finding No. 5 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS (Continued)**

Actual Payment					Per Draft ROPS									
Vendor	Description	GL Date	Check Number	Distribution Amount	Project #	ROPS Ref#	Project Name/ Debt Obligation	Total Due During Fiscal Year	Jan	Feb	Mar	Apr	May	Jun
BLOCK ENVIRONMENTAL	ENVIRONMENTAL - 1350 EASTERN	4/3/2012	20000	\$4,650.00	3	10	1350 Eastern/Tnggs	200,000.00						200,000.00
<b>\$4,650.00</b>														
ENVIRO-CHEM, INC.	ENVIRONMENTAL - 5710 SMITHWAY ST	2/7/2012	19383	\$1,745.00										
ENVIRO-CHEM, INC.	ENVIRONMENTAL - 5710 SMITHWAY ST	2/7/2012	19383	\$2,150.00										
BLOCK ENVIRONMENTAL	ENVIRONMENTAL - 5710 SMITHWAY ST	4/3/2012	20000	\$20,100.00										
<b>\$23,995.00</b>					2	12	Cradel	175,000.00						175,000.00
Employee Costs	Employees of Agency			\$547,242.91										
<b>\$547,242.91</b>					1	4	Employee Costs	1,217,042.00	101,420.00	101,420.00	101,420.00	101,420.00	101,420.00	101,420.00
WAYNE PERRY, INC.	OPEN PO FOR DESIGN AND INSTALLATION OF A LANDFILL GAS COLLECTION	3/14/2012	19835	\$17,004.24										
<b>\$17,004.24</b>					1	7	Parcel Maintenance	150,000.00						150,000.00
ADCO SERVICES, INC.	LANDSCAPING SERVICES - DECEMBER 2011	2/7/2012	19322	\$1,110.00										
ADCO SERVICES, INC.	LANDSCAPING SERVICES - JANUARY 2012	3/20/2012	19837	\$1,110.00										
<b>\$2,220.00</b>					3	3	Property Maintenance	41,314.00	3,443.00	3,443.00	3,443.00	3,443.00	3,443.00	3,443.00
ADCO SERVICES, INC.	LANDSCAPING SERVICES - DECEMBER 2011	2/7/2012	19322	\$805.00										
ADCO SERVICES, INC.	LANDSCAPING SERVICES - DECEMBER 2011 (\$50.00)	2/7/2012	19322	\$250.00										
ADCO SERVICES, INC.	LANDSCAPING SERVICES - JANUARY 2012	3/20/2012	19837	\$805.00										
ADCO SERVICES, INC.	LANDSCAPING SERVICES - JANUARY 2012 (\$50.00)	3/20/2012	19837	\$250.00										
<b>\$2,110.00</b>					2	8	Property Maintenance	50,000.00	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67

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Finding No. 5 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS (Continued)

Actual Payment					Per Draft ROPS									
Vendor	Description	GL Date	Check Number	Distribution Amount	Project #	ROPS Ref#	Project Name/ Debt Obligation	Total Due During Fiscal Year	Jan	Feb	Mar	Apr	May	Jun
JOE A. GONSALVES & SON	NOVEMBER 2011 SERVICES INVOICE# 2769 DTD 10/17/2011	2/7/2012	19400	\$1,662.50										
JOE A. GONSALVES & SON	DECEMBER 2011 SERVICES INVOICE # 22453 DTD 11/21/11	2/7/2012	19400	\$1,685.00										
JOE A. GONSALVES & SON	OCTOBER 2011 SERVICES INVOICE# 2704 DTD 9/20/11	2/7/2012	19400	\$1,662.50										
PIERCE LAW FIRM	COMMERCE COMMUNITY DEVELOPMENT	2/7/2012	19449	\$382.50										
PIERCE LAW FIRM	COMMERCE COMMUNITY DEVELOPMENT	2/7/2012	19449	\$45.00										
OLIVO & PLASCENCIA	INV#2405 PROFESSIONAL SERVICES RENDERED FOR DEC. 2011	3/6/2012	19774	\$6,162.00										
PIERCE LAW FIRM	INV#2129 FOR SERVICES RENDERED THRU 1/31/2012	3/6/2012	19778	\$16,553.72										
JOE A. GONSALVES & SON	JANUARY 2012 SERVICES INVOICE# 22515 LEGAL SERVICES	3/20/2012	19887	\$1,662.50										
OLIVO & PLASCENCIA	INV#2408 PROFESSIONAL SERVICES RENDERED FOR JAN. 2012	3/20/2012	19909	\$20,005.00										
OLIVO & PLASCENCIA	INV#2402 PROFESSIONAL SERVICES RENDERED FOR NOV. 2011	3/20/2012	19909	\$3,577.00										
PIERCE LAW FIRM	INV#2170 FOR SERVICES RENDERED THRU 2/29/2012	4/17/2012	20199	\$2,317.50										
PIERCE LAW FIRM	INV#2171 FOR SERVICES RENDERED THRU 2/29/2012	4/17/2012	20199	\$8,821.64										
JOE A. GONSALVES & SON	INVOICE# 22580 FEBRUARY 2012 LEGAL SERVICES	5/1/2012	20301	\$1,662.50										
JOE A. GONSALVES & SON	INVOICE# 22643 MARCH 2012 LEGAL SERVICES	5/1/2012	20301	\$1,685.00										
JOE A. GONSALVES & SON	INVOICE# 22705 APRIL 2012 LEGAL SERVICES	5/1/2012	20301	\$1,662.50										

1	8	Legal Costs	50,593.39											27,098.50
2	5	Contract for Consulting Svcs	100,000.00											100,000.00
2	9	Legal Costs	23,472.55											8,591.00
3	7	Legal Costs	2,238.55											1,199.00
4	9	Contract for Consulting Svcs	40,000.00											40,000.00
4	12	Legal Costs	77,583.00											26,344.00

569,546.86

293,887.49

203,232.50

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**SCHEDULE OF FINDINGS**

**Finding No. 5 -- Discrepancies between the Payments and Obligation Amounts on the Draft ROPS  
 (Continued)**

Actual Payment					Per Draft ROPS									
Vendor	Description	GL Date	Check Number	Distribution Amount	Project #	ROPS Ref#	Project Name/ Debt Obligation	Total Due During Fiscal Year	Jan	Feb	Mar	Apr	May	Jun
THOMSEN ENGINEERING INC.	ENGINEERING SERVICES	2/7/2012	19477	\$645.00										
FUSCOE ENGINEERING	PROFESSIONAL SERVICES -- COSTCO BUSINESS CENTER	4/4/2012	20128	\$5,500.00										
\$6,145.00					4	8	Contract for Consulting Svcs	175,000.00						175,000.00
BLOCK ENVIRONMENTAL	ENVIRONMENTAL - 6300 WASHINGTON	4/3/2012	20000	\$8,000.00										
\$8,000.00					2	13	Telegraph Road Corridor Project	200,000.00						200,000.00
THOMSEN ENGINEERING INC.	ENGINEERING SERVICES-- TELEGRAPH/TUBE WAY/CASPAR	4/3/2012	20104	\$19,435.82										
\$19,435.82					4	16	Telegraph Road Corridor Project	200,000.00						200,000.00



Name of Redevelopment Agency:  
Project Area(s):

Commerce Development Commission  
Project Area #1-4

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## ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (\*)

(Unaudited - Aug 2011 - Dec 2011)

	Proj No.	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Payments by month
						Total
6	1	Fiscal Services	Various	Trustee / Audit Svcs/ Bond Analysis	40,782.56	\$19,708.00
7	2	Contract for Consulting Svcs	Project Consultant	Project Administration / Environmental	20,000.00	\$20,000.00
4)	2	Fiscal Services	Various	Trustee / Audit Svcs/ Bond Analysis	10,012.58	\$6,248.00
10)	2	Legal Costs	Orrick Public Finance	Legal Services	25,000.00	\$25,000.00
	2		Various		23,472.55	\$8,591.00
4)	3	Property Maintenance	Various	Maintenance and Repair	41,314.00	\$20,658.00
5)	3	Fiscal Services	Various	Trustee /Audit Svcs/ Bond Analysis	3,897.40	\$872.00
6)	3	Contract for Consulting Svcs	Project Consultant	Project Administration	40,000.00	\$40,000.00
7)	4	Fiscal Services	Various	Trustee / Audit Svcs/ Bond Analysis	21,108.46	\$13,172.00
9)	4	Contract for Consulting Svcs	Legal Services	Project Related	40,000.00	\$40,000.00
		<b>Totals - This Page</b>			<b>265,587.55</b>	<b>\$194,249.00</b>

### HIGHLIGHT LEGEND:

BLACK FONT/YELLOW HIGHLIGHT
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CPA Firm to review validity and amount of obligation.
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## ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (\*)

(Unaudited - Jan 2012 - Jun 2012)

	Proj No.	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Payments by month
						Total
1)	3	Legal Costs	Orrick Public Finance	Legal Services	25,000.00	\$ 25,000.00
			Various		2,238.55	\$ 1,199.00
2)	4	Contract for Consulting Svcs	Project Consultant	Project Administration	175,000.00	\$ 175,000.00
						\$ -
		<b>Totals - This Page</b>			<b>202,238.55</b>	<b>\$201,199.00</b>

**HIGHLIGHT LEGEND:**

BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.
RED FONT/YELLOW HIGHLIGHT	CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Per AB 26 - Section 34177  
 FISCAL YEAR 2011 - 2012  
 (Unaudited)

Footnotes	Project Name / Debt Obligation	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation	Payments by month Total
					3,500,000.00	422,790.00
					3,750,000.00	453,824.00
	1) City Loan entered into on 3/3/1992	City of Commerce	Property Purchase	(1)	6,000,000.00	450,000
	2) City Loan entered into on 6/16/1996	City of Commerce	Defray admin and project related costs	(1)	600,000.00	45,000
					2,000,000.00 (Non-Substantive)	5,309,568.00
					1,217,042.00	608,520.00
	4) Employee Costs	Employees of Agency	To implement AB 1X26	(2)	1,217,042.00	608,520
(1)	5) Fiscal Services (Debt Service)	Various	Trustee / Audit Svcs/ Bond Analysis	(1)	40,782.56	19,708
	6) Contract for Consulting Svcs	Project Consultant	Project Administration	(1)	20,000.00	20,000
	7) Parcel Maintenance	Structural Materials	Monitoring Methane Sytm - Construction	(4)	150,000.00	150,000
			Monitoring Methane Sytm - Monitoring	(1)	90,000.00	
	8) Legal Costs	Orrick Public Finance	Legal Services	(1)	150,000.00	150,000
		Various		(1)	50,593.39	27,099
	9) Continuing Disclosure	Urban Futures	Bond Related Continuing Disclosure	(1)	153,000.00	5,000
	(Debt Service - Bond Issuance)					
	THE SOURCE OF PAYMENT FOR EACH RECOGNIZED OBLIGATION HIGHLIGHTED ABOVE IS AS FOLLOWS:					
	(1) REDEVELOPMENT PROPERTY TAX TRUST FUND (FORMERLY TAX INCREMENT)					
	(2) ADMINISTRATIVE COST ALLOWANCE AND OTHER REVENUE SOURCES					
	(3) BOND PROCEEDS					
	(4) RESERVE BALANCES					
	10) 4957 Sheila		Environmental Clean-up	(1) & (3) & (4)	5,471,125.00	400,000
	11) 4901/4909 Washington		Environmental Clean-up	(1) & (3) & (4)	1,233,375.00	100,000
	12) 7025 Slauson		Environmental Clean-up	(1) & (3) & (4)	2,783,000.00	150,000
	13) Veteran's Park		Environmental Clean-up / Site Debris Setting / Facility Repair & Construction	(1) & (3) & (4)	4,000,000.00	
	<b>Totals - This Page</b>				<b>103,468,533.95</b>	<b>8,055,055</b>
	THE SOURCE OF PAYMENT FOR EACH RECOGNIZED OBLIGATION HIGHLIGHTED ABOVE IS AS FOLLOWS:					
	(1) REDEVELOPMENT PROPERTY TAX TRUST FUND (FORMERLY TAX INCREMENT)					
	(2) ADMINISTRATIVE COST ALLOWANCE AND OTHER REVENUE SOURCES					
	(3) BOND PROCEEDS					
	(4) RESERVE BALANCES					

**HIGHLIGHT LEGEND:**

RED FONT	Auditor-Controller staff responsible for calculating Pass-Through and Administrative costs. No further work proposed.
RED FONT/GREY HIGHLIGHT	Potentially unenforceable obligation and requires County Counsel review. No further work proposed.
GREEN FONT	Auditor-Controller staff has verified the obligation exists and is valid. No further work proposed.
RED FONT/YELLOW HIGHLIGHT	CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.
BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.

**FOOTNOTES:**

(1) This total obligation amount is immaterial. No further work proposed.



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Per AB 26 - Section 34177  
 FISCAL YEAR 2011 - 2012  
 (Unaudited)

Footnotes	Project Name / Debt Obligation	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation	Payments by month
						Total
	1) City Loan entered into on 6/16/1986	City of Commerce	Defray admin and project related costs	(1)	100,000.00	\$ 7,500.00
	2) Employee Costs	Employees of Agency	To implement AB 1X 26	(2)	61,363.00	\$ 30,684.00
(1)	3) Property Maintenance	Various	Maintenance & Repair	(1)	41,314.00	\$ 20,658.00
(1)	4) Fiscal Services (Debt Service)	Various	Trustee / Audit Svcs/ Bond Analysis		3,897.40	\$ 872.00
(1)	5) Contract for Consulting Svcs	Project Consultant	Project Administration	(1)	40,000.00	\$ 40,000.00
	6) 1994 ABAG Tax Allocation Bond	Wells Fargo	Bonds issue to fund various non-housing and housing related projects	(1)	1,147,794.00	\$ 118,000.00
(1)	7) Legal Costs	Orrick Public Finance	Legal Services	(1)	25,000.00	\$ 25,000.00
(1)		Various			2,238.55	\$ 1,199.00
	8) Continuing Disclosure	Urban Futures	Bond Related Continuing Disclosure	(1)	153,000.00	\$ 1,500.00
	(Debt Service - Bond Issuance)					
	9) Washington Blvd Improvement	Various	Reconstruction Project	(3) & (4)	575,019.00	\$ 150,000.00
	<b>(Note: The \$32 million Project is scheduled to begin in FY 2011-12 and scheduled for completion in FY 2013-14)</b>					
	10) 1350 Eastern/Triggs		Environmental Clean-up		7,874,625.00	\$ 200,000.00
	11) 1338 Eastern/Single Family		Environmental Clean-up		3,510,375.00	\$ 50,000.00
	<b>Totals - This Page</b>				<b>\$ 13,534,625.95</b>	<b>\$ 645,413.00</b>
	<b>THE SOURCE OF PAYMENT FOR EACH RECOGNIZED OBLIGATION HIGHLIGHTED ABOVE IS AS FOLLOWS:</b>					
	<b>(1) REDEVELOPMENT PROPERTY TAX TRUST FUND (FORMERLY TAX INCREMENT)</b>					
	<b>(2) ADMINISTRATIVE COST ALLOWANCE AND OTHER REVENUE SOURCES</b>					
	<b>(3) BOND PROCEEDS</b>					
	<b>(4) RESERVE BALANCES</b>					

**HIGHLIGHT LEGEND:**

RED FONT	Auditor-Controller staff responsible for calculating Pass-Through and Administrative costs. No further work proposed.
RED FONT/GREY HIGHLIGHT	Potentially unenforceable obligation and requires County Counsel review. No further work proposed.
GREEN FONT	Auditor-Controller staff has verified the obligation exists and is valid. No further work proposed.
RED FONT/YELLOW HIGHLIGHT	CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.
BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.

**FOOTNOTES:**

(1) The total obligation amount is immaterial. No further work proposed.

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Per AB 26 - Section 34177  
 FISCAL YEAR 2011 - 2012  
 (Unaudited)

Footnotes	Project Name / Debt Obligation	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation	Payments by month
						Total
				(1)		
	2) City Loan entered into on 4/16/2002	City of Commerce	Defray admin and project related costs	(1)	5,700,000.00	427,500.00
	3) City Loan entered into on 11/2/1999	City of Commerce	Property Purchase	(1)	5,000,000.00	375,000.00
	4) City Loan entered into on 6/16/2002	City of Commerce	Defray admin and project related costs	(1)	400,000.00	30,000.00
	5) Employee Costs	Employees of Agency	To implement AB 1X 26	(2)	876,986.00	438,492.00
	6) Property Maintenance	Various	Maintenance and Repair	(1)	590,448.00	295,224.00
(1)	7) Fiscal Services (Debt Service)	Various	Trustee / Audit Svcs/ Bond Analysis		21,108.46	13,172.00
	8) Contract for Consulting Svcs	Project Consultant	Project Administration	(1)	175,000.00	175,000.00
(1)	9) Contract for Consulting Svcs	Legal Services	Project Related	(1)	40,000.00	40,000.00
	10) Contract for Eng/Contract Svcs	General Contractor	Site Demolition / Clearance costs	(3)	500,000.00	500,000.00
	11) DDA	Costco	Disposition of land; fees, offsite improvements, demolition, and site preparation	(4)	400,000.00	400,000.00
	12) Legal Costs	Orrick Public Finance	Legal Services	(1)	50,000.00	50,000.00
		Various			77,583.00	26,344.00
	13) Continuing Disclosure (Debt Service - Bond Issuance)	Urban Futures	Bond Related Continuing Disclosure	(1)	153,000.00	1,500.00
	14) Washington Blvd Improvement	Various	Reconstruction Project	(3) & (4)	3,258,441.00	550,000.00
	15) Citadel		Environmental Clean-up		3,115,062.50	175,000.00
	16) Telegraph Road Corridor Project		Environmental Clean-up		5,581,812.50	200,000.00
	17) Costco		Environmental Clean-up		1,081,575.00	80,000.00
	18) 4650 Washington		Environmental Clean-up		5,376,250.00	-
	19) 4800 Washington		Environmental Clean-up		980,375.00	25,000.00
	<b>Totals - This Page</b>				<b>\$ 33,377,641.46</b>	<b>3,802,232.00</b>
	<b>THE SOURCE OF PAYMENT FOR EACH RECOGNIZED OBLIGATION HIGHLIGHTED ABOVE IS AS FOLLOWS:</b>					
	<b>(1) REDEVELOPMENT PROPERTY TAX TRUST FUND (FORMERLY TAX INCREMENT)</b>					
	<b>(2) ADMINISTRATIVE COST ALLOWANCE AND OTHER REVENUE SOURCES</b>					
	<b>(3) BOND PROCEEDS</b>					
	<b>(4) RESERVE BALANCES</b>					

**HIGHLIGHT LEGEND:**

RED FONT	Auditor-Controller staff responsible for calculating Pass-Through and Administrative costs. No further work proposed.
RED FONT/GREY HIGHLIGHT	Potentially unenforceable obligation and requires County Counsel review. No further work proposed.
GREEN FONT	Auditor-Controller staff has verified the obligation exists and is valid. No further work proposed.
RED FONT/YELLOW HIGHLIGHT	CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.
BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.

**FOOTNOTES:**

(1) The total obligation amount is immaterial. No further work proposed.

**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Commerce, California**

**Comparative Asset Balance Schedule (Unaudited)**

	<u>As of January 31, 2012</u>	<u>As of June 30, 2011*</u>	<u>As of June 30, 2010*</u>
<b>ASSETS</b>			
Cash and investments	\$ 29,052,475	\$ 31,685,329	\$ 35,444,037
Cash and investments with fiscal agent	14,008,743	11,841,221	11,801,809
Account receivable	-	-	23
Interest receivable	-	237,235	243,851
Due from other governments	-	1,759,000	1,553,187
Loan receivable	73,469	76,647	81,417
Lease receivable	170,370	70,920	2,363,355
Prepaid items	-	-	899,281
Deposit in escrow	347,804	347,804	250,000
Property held for resale	63,428,172	63,428,172	67,009,077
Unamortized bond issuance costs	1,826,579	1,891,483	2,002,747
Capital assets:			
Land	5,809,046	5,809,046	5,809,046
Other capital assets, net	5,730,288	5,730,288	6,009,126
<b>TOTAL ASSETS</b>	<b><u>\$ 120,446,946</u></b>	<b><u>\$ 122,877,145</u></b>	<b><u>\$ 133,466,956</u></b>

\* Obtained from audited financial statements of the redevelopment agency for the fiscal years ended June 30, 2010 and June 30, 2011.



### Successor Agency – City of Commerce

The results of those procedures performed by the Auditor-Controller (A-C) are as follows:

#### Procedure B.1.a

Inspect evidence that the successor agency was established by February 1, 2012.

#### *Results*

No exceptions were noted as a result of performing this procedure.

#### Procedure B.1.b

Inspect evidence that the oversight board members were appointed and their names were submitted to the Department of Finance (Finance) by May 1, 2012.

#### *Results*

The City of Commerce Successor Agency submitted the oversight board member names to Finance on June 25, 2012.

#### Procedure C.1

Obtain a copy of the draft Recognized Obligation Payment Schedule (ROPS) from the successor agency.

#### *Results*

No exceptions were noted as a result of performing this procedure.

#### Procedure C.2

Inspect evidence that the initial draft ROPS was prepared by March 1, 2012 by the successor agency.

#### *Results*

No exceptions were noted as a result of performing this procedure.

Procedure C.3

Determine if the certified draft ROPS was approved by the oversight board. If the certified draft ROPS was not approved by the date of this report, we noted it as a finding.

*Results*

No exceptions were noted as a result of performing this procedure.

Procedure C.4

Determine if the draft ROPS was submitted to the County A-C, State Controller, and Finance.

*Results*

No exceptions were noted as a result of performing this procedure.

Procedure E.1

Obtain a copy of pass-through payment agreements from the successor agency.

*Results*

No exceptions were noted as a result of performing this procedure. The successor agency has provided the A-C with copies of all pass-through agreements.

Procedure E.2

We obtained a list of pass-through obligations from the successor agency as of January 31, 2012, including the recipient and terms of each pass-through obligation.

*Results*

The City of Commerce Successor Agency provided the A-C with verification of pass-through payments made for July to November 30, 2011.

Procedure E.3

We obtained a list of pass-through payments made between July 1, 2011 and January 31, 2012 and verified payments.

*Results*



As indicated, the City of Commerce Successor Agency provided the A-C with verification of pass-through payments made to County, Schools, and Special districts for July to November 30, 2011. In addition, the A-C distributed the County Entities' share of contractual and statutory pass-through payments for the period from November 1, 2011 to January 31, 2012 as follows:

<b>Pass-through Taxing Entity</b>	<b>Pass-through Amount Paid</b>
County Entities	\$568,978.16
Other County Entities	20,716.83
City	0
Special Districts	39,671.47
Schools	520,843.16
<b>TOTAL</b>	<b>\$1,150,209.62</b>





COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL


648 KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE  
(213) 974-1921  
FACSIMILE  
(213) 617-7182  
TDD  
(213) 633-0901

JOHN F. KRATTLI  
County Counsel

August 15, 2012

TO: WENDY WATANABE  
Auditor-Controller

FROM: JUDY W. WHITEHURST   
Assistant County Counsel  
Government Services Division

RE: **Legal Analysis of Commerce ROPS Items**

Pursuant to your request, our office conducted a legal analysis to supplement the agreed-upon procedures audit you conducted pursuant to Health & Safety Code section 34182(a). Specifically, you requested that we review the agreements described in the "Findings" section below to determine whether each is an "enforceable obligation" pursuant to ABx1 26 (Chapter 5, Statutes 2011) and AB 1484 (Chapter 26, Statutes 2012). We have consulted with outside counsel and reviewed correspondence from the Department of Finance ("DOF") in its review of the Recognized Obligation Payment Schedule ("ROPS") submitted by the successor to the Commerce Community Development Commission ("CDC"), and we have come to the conclusions discussed below.

**FINDINGS**<sup>1</sup>

1. The Disposition and Development Agreement ("DDA") between the CDC and Costco Wholesale Corporation appears to be an enforceable obligation.

---

<sup>1</sup> Because the ROPS may have been revised after the date that the Auditor-Controller identified items for review, certain discrepancies may exist between item numbers and amounts referred to herein and the final version submitted to the DOF. Nevertheless, we have attempted to identify the DOF's determination with respect to the items identified for review.

2. The five loan agreements between the CDC and the City of Commerce ("City") identified for review are not enforceable obligations.

### **DISCUSSION**

#### **A. Disposition and Development Agreement between the CDC and Costco Wholesale Corporation ("Costco")**

In 2008, the CDC and Costco entered into a DDA for the development of a retail shopping center. Pursuant to the terms of the DDA, the CDC was to sell certain parcels to Costco, perform site clearing and environmental remediation work, construct certain site improvements, and provide Costco with an option to purchase certain parcels upon completion of the clearing and environmental work.

Pursuant to the provisions of Health & Safety Code section 34171(d)(1)(E), an enforceable obligation includes any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. Given that economic development is an appropriate redevelopment purpose and the DDA was effective prior to the dissolution of the Agency, the DDA is binding and enforceable. Therefore, it is likely an enforceable obligation in accordance with section 34171(d)(1)(E).

The DDA appeared on the ROPS for the January through June 2012 period as Item 11 on page 7. In its letter dated May 25, 2012, the DOF approved all items listed on the ROPS.

#### **B. Loan Agreements between the CDC and the City**

In 2002, the City Council approved a loan to the CDC in the amount of \$500,000.00 for the purpose of defraying administrative costs and overhead expenses associated with Redevelopment Project Area II. In April 2011, the CDC approved and ratified a 1986 loan agreement with the City in the amount of \$100,000.00. The purpose of the loan was to assist in funding administrative and other expenses necessary for the implementation of the redevelopment plan. Again, in April 2011, the CDC approved and ratified a 1992 loan with the City in the amount of \$6,500,000.00. A third loan was approved and ratified by the CDC in April 2011, in the amount of \$5,000,000.00. The \$5,000,000.00 loan was first approved by the City in 1999, for the purpose of implementation of the redevelopment plan and for the purchase of properties required to implement the CDC's redevelopment program. A fourth resolution was adopted by the CDC, approving and ratifying a 2002 loan in the amount of \$5,700,000.00 between the City and the CDC. However, the portion of the

resolution that includes the date is missing from the document provided for review. The aggregate amount loaned under these five agreements (the "Loan Agreements") is \$17,800,000.

Health & Safety Code section 34171(d)(2) provides that an "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency." Section 34171(d)(2) provides two exceptions to this general rule. First, an agreement will be considered an "enforceable obligation" where it was "entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations. . . ." Pursuant to section 34171(e), "[i]ndebtedness obligation" means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency . . . to *third-party investors* or bondholders to finance or refinance redevelopment projects. . . ." (*emphasis added*). Second, "loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations." *Id.* Health & Safety Code section 34178(a) also generally provides that agreements between a redevelopment agency and its sponsoring city or county are invalid, subject to, *inter alia*, the two exceptions discussed above.

The Loan Agreements cannot be considered enforceable obligations. The agreements were not for the purpose of securing or repaying any bonds and they were not entered into in the first two years of the CDC's formation in 1974. The successor agency has not received a finding of completion from the DOF, which under AB 1484 would allow loans between redevelopment agencies and their creating entities to be considered enforceable subject to specific conditions. Based on these facts, the debt does not currently constitute an enforceable obligation of the successor agency.

Included with the documents was a memorandum from the City indicating that it has commenced litigation against the State to enforce the validity of the loan agreements between the City and the CDC. At this time, the City, as successor agency, is not requesting payment of the Loan Agreements on the ROPS, however, the agreements were included on the ROPS to preserve any applicable rights of the successor agency. As referenced above, the DOF approved all items on the ROPS in its letter dated May 25, 2012.

JWW:SC:vcv

**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. \* GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 25, 2012

Vilko Domic, Director of Finance  
City of Commerce  
2535 Commerce Way  
Commerce, CA 90040

Dear Mr. Domic:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Commerce Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 23, 2012 for the period of January to June 2012 and on May 16, 2012 for the period July to December 2012. Finance is assuming oversight board approval. Finance has completed its review of your ROPS which may have included obtaining clarification for various items. Based on our review, we are approving all of the items listed on your ROPS at this time.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. In addition, items not questioned during this review are subject to subsequent review if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of RPTTF that was approved by Finance.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

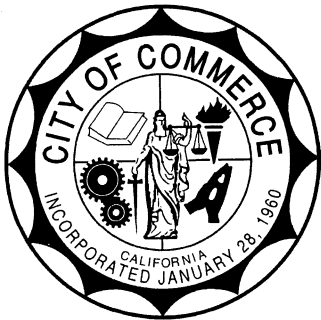
Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

Handwritten signature of Mark Hill in cursive.

MARK HILL  
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, Los Angeles County Department of Auditor-Controller



# AGENDA REPORT

Date: September 18, 2012

**TO: HONORABLE CITY COUNCIL**

**FROM: CITY ADMINISTRATOR**

**SUBJECT: REPORT ON EXCESSIVE IDLING BY HEAVY DIESEL TRUCKS AND PRESENTATION OF OPTIONS TO ADDRESS THE ISSUE**

**RECOMMENDATION:**

That the City Council receives a presentation of options to address the issue pertaining to excessive idling by heavy diesel trucks and consider selecting an option or provide further direction to staff, as deemed necessary.

**MOTION:**

Move to approve the recommendation.

**BACKGROUND:**

It has been observed that heavy diesel trucks are frequently idling for excessive time periods at different locations within the City. At the request of Mayor Pro Tem Tina Baca Del Rio, the City Administrator directed City staff to conduct research on different approaches the City can take to address this issue. City staff contacted the California Air Resources Board (ARB) to obtain information on options the City has to mitigate the issue. The following are different options that the City Council can select from:

- 1. Contact the California ARB to Report Violations** - The City can contact the California ARB to request that they check a specific area for violations of excessive idling. Within a few days, the ARB will send uniformed personnel to the indicated area and will issue a "warning" letter to the diesel truck operator, if it is observed. The ARB personnel will conduct a random check on a different day and will cite the truck operator if it is observed committing the violation. The ARB cites under "State Idling Regulations, Title 13, CCR 2485, which prohibits diesel trucks over 10,000 lbs from idling over 5 minutes. The set fine is \$300.

*\*\*Under this option, response would not be immediate. The ARB would be required to schedule their Personnel to report to the indicated area, which could be days. By the time they arrive, the truck operator may no longer be there, especially if it's an out of State truck.*
- 2. Issue "Warnings"** - The City could issue "warnings" to truck operators who are observed idling for an excessive period of time, and provide them an "opportunity to correct."

*\*\*All truck operators were notified in 2008, when the State Regulation on excessive idling went into effect. Proving a warning from the City only gives the truck operator an opportunity to correct, if that truck driver visits the City again.*
- 3. Develop a Local City Ordinance** - The City could develop a local City Ordinance to emulate the existing State of California Ordinance that would permit designated personnel to issue citations for excessive idling, in the amount of \$300.

**\*\*Creating a local ordinance would provide for immediate remedy since an authorized person would be permitted to cite immediately, when the violation is being committed. City staff feels that Sheriff's Deputies should be the authorized persons to issue the citations. Many truck drivers are known to carry a weapon (i.e. gun, knife, etc.) and in some situations, they may be carrying illegal drugs or conducting illegal activities in the truck. It would be very unsafe to place an unarmed Community Safety Specialist or a newly hired Community Services Officer in the position of having to confront a truck driver who is about to receive a citation. In some cases, this may involve having to wake up a truck driver if he/she is sleeping in the cab section of the truck. Past experience has shown that most truck drivers become very irate when they receive a citation, because it could cost them their license or their job. Having to confront a trucker who was just awakened and handing him/her a costly citation, is not a safe scenario. Such situations should be handled by a Sheriff's Deputy who has the authority to detain an individual who becomes threatening or who may possibly be committing other illegal acts. Assigning other City personnel who are not armed and who do not have powers of arrest, poses a safety hazard and a liability to the City.**

**4. Issue Citations for Unattended Vehicles - The City can issue citations for "unattended vehicles", if that is the situation, under California Vehicle Code 22515(a).**

**\*\*This option would only be enforceable if the truck driver left the truck to have lunch, conduct business at a company, or other reason.**

**ANALYSIS:**

After reviewing all the above options, City staff recommends that the City Council select Option #3, Develop a City Ordinance, and designate the Sheriff's Deputies to be the authorized personnel to enforce the Ordinance. If Option #3 is selected, the City Council can further direct City staff to proceed with implementing the Ordinance, as deemed necessary.

It is at the City Council's discretion to select an option, as described above under "Background."

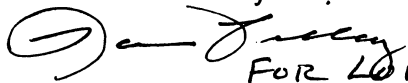
**FISCAL IMPACT:**

This activity can be carried out with no fiscal impact to the current operating budget. None of the Options presented would have a budgetary impact. Option #3 would not affect the current Agreement with the Los Angeles County Sheriff's Department, as the task would be given to the current assigned traffic deputies in the City of Commerce.

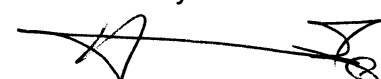
**RELATIONSHIP TO 2009 STRATEGIC GOALS:**

This report relates to the 2009 strategic planning goal: "Protect and Enhance the Quality of Life in the City of Commerce," as it addresses the overall appearance of the community and promotes civic engagement and pride in the community.

Recommended by:

  
FOR Loretta Gutierrez  
Loretta Gutierrez  
Interim Director of Safety & Community Serv.

Reviewed by:

  
Vilko Domic  
Director of Finance

Respectfully submitted,

  
Jorge J. Rifa  
City Administrator

Approved As To Form:

  
Eduardo Olivo  
City Attorney





# AGENDA REPORT

Meeting Date: 09/18/2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING CHAPTER 9.40 (POLITICAL CAMPAIGN SIGNS) OF TITLE 9 (PEACE, SAFETY AND MORALS) OF THE COMMERCE MUNICIPAL CODE BY AMENDING SUBSECTION (2) OF SECTION 9.40.030 (POSTING IN CERTAIN PLACES PROHIBITED), SECTION 9.40.070 (REMOVAL PROCEDURE), 9.40.080 (STORAGE—NOTICE—RETURN), 9.40.100 (PERSONS RESPONSIBLE) AND 9.40.110 (ILLEGAL SIGNS—PUBLIC NUISANCE) – First Reading

## RECOMMENDATION:

Approve the Ordinance for first reading.

## MOTION:

- 1) Move to read the Ordinance by title only.
- 2) Move to approve the Ordinance for first reading.

## BACKGROUND:

In 1988, the City Council approved and adopted Ordinance No. 416 adding Chapter 9.40 to the Municipal Code regulating the posting of political campaign signs in the City.

Section 9.40.070 outlines the removal procedure for signs posted in violation of Sections 9.40.030 and 9.40.040. Unless an illegally posted sign poses a hazard to motorists, pedestrians or cyclists using the public right-of-way, which allows for immediate removal, the City Clerk is required to provide 24-hours advance telephone notice of the intent to remove the sign, allowing the candidate, committee or person responsible for the posting of the sign the opportunity to remove it. If the sign remains after the 24-hour advance notice, or the City Clerk is unable to contact the candidate, committee or person responsible, then the sign may be removed.

## ANALYSIS:

Over the years, the City has experienced an increase in the number of political campaign signs posted in violation of Chapters 9.40.030 and 9.40.040 of the Commerce Municipal Code. The City Clerk has followed the provisions set forth in Chapter 9.40 regarding the removal of such signs; however, this has not deterred individuals from replacing the signs after they have been removed.

The proposed Ordinance eliminates the 24-hour advance notice required prior to the removal of illegally placed campaign signs and allows for their immediate removal. Further, the proposed Ordinance will allow the candidate, committee or person responsible for the sign to be charged the actual cost for the removal, storage, destruction and/or disposal of the sign.

The proposed Ordinance also clarifies certain public property where political campaign signs may not be posted and the persons responsible for the posting of campaign signs.

FISCAL IMPACT:

This activity may be carried out without additional impact on the current operating budget.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This item relates to the following 2009 Strategic Goal: "Protect and enhance the quality of life in the City of Commerce".

Respectfully submitted,



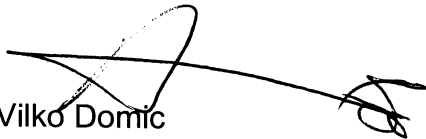
Jorge J. Rifa  
City Administrator

Recommended by:



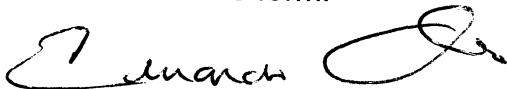
Linda Kay Olivieri  
City Clerk

Fiscal impact reviewed by:



Vilko Domic  
Director of Finance

Reviewed as to form:



Eduardo Olivo  
City Attorney

Attachments: Proposed Ordinance

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

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING CHAPTER 9.40 (POLITICAL CAMPAIGN SIGNS) OF TITLE 9 (PEACE, SAFETY AND MORALS) OF THE COMMERCE MUNICIPAL CODE BY AMENDING SUBSECTION (2) OF SECTION 9.40.030 (POSTING IN CERTAIN PLACES PROHIBITED), SECTION 9.40.070 (REMOVAL PROCEDURE), 9.40.080 (STORAGE—NOTICE—RETURN), 9.40.100 (PERSONS RESPONSIBLE) AND 9.40.110 (ILLEGAL SIGNS—PUBLIC NUISANCE)

THE CITY COUNCIL OF THE CITY OF COMMERCE, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 9.40.030 (Posting in Certain Places Prohibited) of Title 9 (Peace, Safety and Morals), Chapter 9.40 (Political Campaign Signs), subsection (2), of the Commerce Municipal Code is hereby amended in its entirety as follows:

“(2) On or within the confines of any public park, recreation area, or other type of landscaped or non-landscaped grounds or medians or developed or undeveloped real property owned or operated by the city or other governmental agency, or upon any flagpole or tree owned by a public agency;”

Section 2. Section 9.40.070 (Removal Procedure) of Title 9 (Peace, Safety and Morals), Chapter 9.40 (Political Campaign Signs), of the Commerce Municipal Code is hereby amended in its entirety as follows:

**“9.40.070 Removal procedure.**

When the city clerk or his/her agents find that a political campaign sign has been posted in violation of Sections 9.40.030 or 9.40.040, the city clerk or his/her agents shall remove the illegal sign, storing it in a safe location.”

Section 3. Section 9.40.080 (Storage—Notice—Return) of Title 9 (Peace, Safety and Morals), Chapter 9.40 (Political Campaign Signs), of the Commerce Municipal Code is hereby amended in its entirety as follows:

**“9.40.080 Storage—Notice—Return—Costs.**

If the city clerk or his/her agents remove any political signs, he/she shall keep a record of the date of removal and location from which the sign was removed. He/she shall store the political campaign sign in a safe location for at least four business days and shall notify by telephone the candidate, committee, or person responsible for the posting of the sign, indicating the fact of removal and the location where it may be retrieved. If the city clerk is unable to make telephone contact, he/she shall provide written notice, if the address of the candidate, committee or person responsible is known or can reasonably be ascertained. If the signs in his/her possession are not retrieved within four business days after the notice required by this section is given, the signs may be destroyed and disposed of. The candidate, committee or person responsible for the sign may be charged the actual cost for the removal, storage, destruction and/or disposal of the sign.”

Section 4: Section 9.40.100 of Title 9 (Peace, Safety and Morals). Chapter 9.40 (Political Campaign Signs), of the Commerce Municipal Code is hereby amended in its entirety as follows:

**“9.40.100 Persons responsible.**

In a campaign for political office, the candidate for such office, or the president or chief officer of a non-candidate controlled campaign committee, shall be deemed the person responsible for the posting of political campaign signs, unless he/she first notifies the city clerk of another person who is responsible. In such case, the candidate, president or chief

officer shall provide the name, address, telephone number and signed consent of such other responsible person. In a campaign regarding a ballot measure, the president or chief officer of the committee supporting or opposing such ballot measure shall be deemed responsible, unless he/she first notifies the city clerk of some other person responsible, in the manner described herein. The candidate, committee president or chief officer, or other responsible person if so designated, shall be liable to pay any fees or costs for the removal, storage, destruction and/or disposal of illegal signs and any fines imposed as set forth in this chapter. Further, such candidate, committee president or chief officer, or other responsible person may be subject to criminal prosecution for violation of Sections 9.40.030 or 9.40.040.

Section 5: Section 9.40.110 of Title 9 (Peace, Safety and Morals), Chapter 9.40 (Political Campaign Signs), of the Commerce Municipal Code is hereby amended in its entirety as follows:

**“9.40.110 Illegal signs—Public nuisance.**

Political campaign signs in violation of Sections 9.40.030 or 9.40.040 are declared to be public nuisances and may be abated by the city pursuant to the provisions of Chapter 9.32. The collection of removal fees shall not preclude the city from criminally prosecuting any person violating said sections.”

Section 6. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this chapter is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this chapter. The City Council declares that it would have adopted this chapter, and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, phrases, or portions be declared invalid or unconstitutional.

Section 7. Effective Date. This Ordinance shall become effective thirty (30) days from and after its adoption.

Section 8. The City Clerk shall attest to the adoption of this Ordinance and shall cause this Ordinance to be posted in the manner required by law.

PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Lilia R. Leon  
Mayor

ATTEST:

\_\_\_\_\_  
Linda Kay Olivieri, MMC  
City Clerk



# AGENDA REPORT

DATE: September 18, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING A CITY COUNCIL SUB-COMMITTEE TO DEVELOP RECOMMENDATIONS FOR A NEW EXCLUSIVE RESIDENTIAL REFUSE AGREEMENT AND APPOINTING TWO COUNCIL MEMBERS TO THE SUB-COMMITTEE

## RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

## MOTION:

Move to approve the recommendation.

## BACKGROUND/ ANALYSIS:

The existing Residential Refuse Contract with CalMet Services, Inc. is due to expire on June 30, 2013. CalMet sent the City a proposal of services for a new contract in a letter dated June 7, 2012, which is attached. Staff proposes that the City Council establish a City Council Sub-Committee and appoint two council members to consider additional City needs in formulating a new contract. Staff from the Administration, Finance, and Community Development Departments as well as legal counsel would support the Sub-Committee in reviewing CalMet's proposal and formulating recommendations. Staff also recommends consideration of the following:

- Term of the contract.
- Basis for rate increases.
- Alternative fuel vehicle standard.
- Residential franchise fee, and
- Refuse services provided by CalMet for City facilities.

CalMet also requested, in their letter, consideration of including apartments in a new exclusive franchise agreement. There are 628 apartment units serviced as *commercial* accounts under an open, competitive system. CalMet's existing contract services up to four units as residential which is standard in the refuse business. Should Council include apartments with the residential refuse contract, there is no anticipated *revenue increase to the City since all haulers must pay an 11% fee on their gross receipts from commercial accounts.*

The Sub-Committee may want to consider its options with regard to either including apartments in the residential refuse collection contract or to address them separately when reviewing the City's commercial waste management needs in the future.

## FISCAL IMPACT:

This activity can be carried out at this time without additional impact on the current operating budget.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This agenda report item complies with Goal #2 - Protect and Enhance Quality of Life in the City of Commerce.

Respectfully submitted,



Jorge Rifa  
City Administrator

Recommended by:



Danilo Batson  
Assistant Director of Public Services

Prepared by:




Gina Nila  
Environmental Services Manager

Fiscal impact reviewed by:



Vilko Domic  
Director of Finance

Approved as to form:



Eduardo Olivo  
City Attorney

Attachments: CalMet Services, Inc.'s correspondence dated June 7, 2012  
Resolution

# ***CALMET SERVICES, INC.***

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June 7, 2012

Jorge Rifa  
City Administrator  
2535 Commerce Way  
Commerce, CA 90040

Dear Jorge,

CalMet Service is please to present this proposal for solid waste and recycling services. Our goal is to continue providing the City of Commerce with high quality service at competitive rates and include new enhancements for the residents of Commerce.

The main features of this proposal include the following:

- New 96 gallon Trash and Recycling carts for all residents
- Complete fleet of CNG trucks to service the City of Commerce
- On-call SHARPS container delivery to residents
- Rate freeze until July 1, 2013 (4 years without a rate adjustment)
- Updated Residential Contract
- A contract extension of five (5) years with a self renewing clause

CalMet will continue to provide the following additional services:

- Free on-call pick up of large items from residents
- Free on-call pick up of electronic waste from residents
- Free City Services worth about \$9,000 per month

We would also like the City's consideration to include all Multi-family units as part of the residential contract. CalMet can ensure compliance with AB341 mandate of recycling for all Multi-family units of five or more. We have our own MRF facility with guaranteed capacity for Commerce residential waste stream and are in the process of building a new \$35 million state of art MRF facility. As the recycling mandates increase in the State (up to 75% diversion in coming years), CalMet would guarantee compliance for the entire residential sector.

We view this proposal as a working document and recognize that the City's enthusiastic endorsement is vital. Please let us know any adjustments to this proposal the City wishes to see.

Thank you for your consideration. We look forward to serving the City of Commerce for many more years to come.

Sincerely,

William Kalpakoff





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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,  
CALIFORNIA, APPROVING A CITY COUNCIL SUB-COMMITTEE TO  
DEVELOP RECOMMENDATIONS FOR A NEW EXCLUSIVE RESIDENTIAL  
REFUSE AGREEMENT AND APPOINTING TWO COUNCIL MEMBERS TO  
THE SUB-COMMITTEE

WHEREAS, the existing Residential Refuse Contract with CalMet Services, Inc. is due to expire on June 30, 2013; and

WHEREAS, CalMet sent the City a proposal of services for a new contract in a letter dated June 7, 2012; and

WHEREAS, staff proposes that the City Council establish a City Council Sub-Committee and appoint two members of the City Council to the Sub-Committee to review CalMet's proposal, consider additional City needs, and make recommendations for new contract terms.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. A City Council Sub-Committee is hereby established to review residential refuse service needs, CalMet's proposal, and to develop recommendations for a new exclusive residential refuse franchise agreement. The committee will consist of \_\_\_\_\_ and \_\_\_\_\_.

Section 2. The City Council Sub-Committee established by this resolution will cease to exist once the work identified in Section 1 above is completed.

PASSED, APPROVED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Lilia R. Leon  
Mayor

ATTEST:

\_\_\_\_\_  
Linda Kay Olivieri, MMC  
City Clerk





# AGENDA REPORT

DATE: September 18, 2012

**TO:** HONORABLE CITY COUNCIL  
**FROM:** CITY ADMINISTRATOR  
**SUBJECT:** STATUS REPORT ON I-710 FREEWAY IMPROVEMENT PROJECT

**RECOMMENDATION:**

Receive and file a report from staff on the I-710 Freeway Improvement Project.

**MOTION:**

Approve the recommendation and provide the appropriate direction.

**BACKGROUND/ANALYSIS:**

The California Department of Transportation (Caltrans) along with other agencies including the Metropolitan Transportation Authority (MTA/Metro), Southern California Association of Governments (SCAG), Gateway Cities Council of Governments (COG), as well as the Ports of Long Beach and Los Angeles and their technical advisory team are currently engaged in the preparation of an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the proposed I-710 Freeway Improvement Project. The DEIR/DEIS (DEIR/DEIS) was released for public review and comment on June 27<sup>th</sup>, 2012 with the review period extended by an additional 30 days with revised comment period set for September 28, 2012.

At its meeting of August 21, 2012 the City Council selected a subcommittee consisting of the Mayor and Mayor Pro Tem to work with staff and the consulting team to finalize the comment letter in time for the September 28<sup>th</sup> submittal deadline. Staff along with the consulting team of PCR Services Corporation, have met with the Council subcommittee as well as the I-710 Local Advisory Committee (LAC) to obtain feedback and input into the issues of importance to the community.

**FISCAL IMPACT:**

This activity can be carried out at this time without additional impact on the current operating budget.

**RELATIONSHIP TO 2009 STRATEGIC GOALS:**

The issue before the Council is applicable to the following Council strategic goal to "*Protect and Enhance Quality of Life in the City of Commerce*". The recommendations contained in this report are intended to insure that Commerce residents are afforded the most efficient and effective opportunity to engage in meaningful public participation on matters concerning their quality of life.

Respectfully submitted,



Jorge Rifa  
City Administrator

Recommended and prepared by:

  
Alex Hamilton  
Assistant Director of Community Development

Fiscal Impact Reviewed by:

  
Vilko Domic  
Director of Finance

Approved as to form:

  
Eduardo Olivo  
City Attorney/Commission Counsel