

## CALIFORNIA LEGISLATURE

2019–20 REGULAR SESSION

---

---

# ASSEMBLY JOURNAL

**RECESS JOURNAL NO. 5**

---

**ORGANIZATIONAL RECESS**

---

Assembly Chamber, Sacramento  
Tuesday, December 11, 2018

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2019–20 Regular Session was printed while the Assembly was in Organizational Recess.

**REPORTS**

The following letter of transmittal was presented by the Speaker and ordered printed in the Journal:

**California State Auditor**

2018-802  
December 11, 2018

*The Honorable Speaker of the Assembly  
The Honorable Members of the Assembly  
of the Legislature of California  
State Capitol, Room 3196  
Sacramento, California*

Members of the Assembly: As requested by the Joint Legislative Audit Committee, the California State Auditor presents the results of our audit concerning the city of Montebello (Montebello), conducted as part of our high-risk local government agency audit program.

This report concludes that Montebello is a high-risk city because of its significant financial and organizational risks. Specifically, for much of the past decade, Montebello has struggled to generate sufficient revenues to meet its expenses and as a result, it suffers from a structural deficit. Further, Montebello has relied on one-time revenues to balance its budget and its recent plans to increase revenues and decrease expenditures are not adequate to eliminate its structural deficit. Additionally, Montebello's enterprise activities, including a municipal golf course, water utility, and two hotels, pose a significant financial risk to the city's general fund. For example, over the past five fiscal years, Montebello's municipal golf course has relied on subsidies of \$800,000 per year, on average, from the city's general fund. Further, we found that the city did not competitively bid 10 of 16 agreements we reviewed and did not adequately justify the lack of competitive bidding in most cases.

To address these risk factors, we developed recommendations for the city to implement, such as exploring alternate uses for its golf course. We also recommend that the city amend its municipal code to require competitive bidding for most procurements to ensure that Montebello obtains the best value from the services it receives.

Respectfully submitted,

ELAINE M. HOWLE, CPA  
California State Auditor

Above report referred to the Committee on Accountability and Administrative Review.

#### INTRODUCTION OF ASSEMBLY BILLS

The following bills were introduced:

**ASSEMBLY BILL NO. 139—Quirk-Silva.** An act to amend Sections 65400, 65583, 65584.04, 65584.06, 65585, and 65588 of the Government Code, relating to housing.

**ASSEMBLY BILL NO. 140—Cervantes.** An act to add Article 16 (commencing with Section 69820) to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, relating to student financial aid.

---

ANTHONY RENDON, Speaker

TAMMY WEIS, Index Clerk