

For further information on an agenda item, please contact the City at 12363 Limonite Ave. Suite 910, Eastvale, CA 91752

AGENDA
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF EASTVALE

Wednesday January 9, 2013

6:30 P.M.

Rosa Parks Elementary School, 13830 Whispering Hills Drive

1. **CALL TO ORDER:** 6:30 p.m.

2. **ROLL CALL/INVOCATION /PLEDGE OF ALLEGIANCE:**

Council Members – Ric Welch, Kelly Howell, Jeff DeGrandpre

Mayor Pro Tem – Adam Rush

Mayor – Ike Bootsma

Invocation led by Pastor Rob Norris, with The Crossings Church.

3. **PRESENTATIONS/ANNOUNCEMENTS:**

At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.

3.1 Announcement of Eastvale Photo Contest Winner.

3.2 Presentation by Eastvale Law Enforcement and Fire Fighters Association.

4. **PUBLIC COMMENT/CITIZEN PARTICIPATION:**

This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. Although voluntary, we ask that you fill out a "Speaker Request Form", available at the side table. The completed form is to be submitted to the City Clerk prior to being heard. Public comment is limited to two (2) minutes each with a maximum of six (6) minutes.

5. **CONSENT CALENDAR:**

Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. Public comment is limited to two (2) minutes each with a maximum of (6) minutes.

5.1 **Minutes – December 12, 2012 Joint Workshop Meeting with the Public Safety Commission.**

Recommendation: Approve the minutes from the Joint Workshop Meeting with the Public Safety Commission on December 12, 2012.

5.2 **Minutes – December 12, 2012 Regular Meeting.**

Recommendation: Approve the minutes from the Regular Meeting on December 12, 2012.

5.3 **Comprehensive Annual Financial Report.**

Recommendation: Receive and File.

5.4 **Amendment to the Joint Powers Agreement between the City of Eastvale and the Public Entity Risk Management Authority (PERMA).**

Recommendation: Approve the amendment to the Joint Powers Agreement with PERMA.

5.5 **Application to the Department of Justice to perform background checks.**

Recommendation: Approve Resolution No. 13-01, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, AUTHORIZING PARTICIPATION IN THE DEPARTMENT OF JUSTICE BACKGROUND CHECK PROGRAM.

5.6 **Acceptance of Subdivision Improvements for Tracts 30893 & 30933; Centex Homes – Project 11-0717.**

Recommendation: Adopt Resolution No. 13-02, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR PROJECT 11-0717 (TRACT 30893 & 30933) CENTEX HOMES

And direct Staff to file respective Notice of Completion.

5.7 **Acceptance of Subdivision Improvements for Tracts 31726, -1; Centex Homes – Project 12-0714.**

Recommendation: Adopt Resolution No. 13-03, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR PROJECT 12-0714 (TRACT 31726) CENTEX HOMES

And direct Staff to file respective Notice of Completion.

6. PUBLIC HEARINGS:

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to two (2) minutes each with a maximum of six (6) minutes.***

There are no Public Hearing Items.

7. OLD BUSINESS ITEMS:

*Public comment will be called for each item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed you may not further speak on the matter unless the City Council requests further clarification of your statement. **Public comment is limited to two (2) minutes with a maximum of six (6) minutes.***

7.1 Eastvale Community Foundation By-Laws.

Recommendation: Authorize change in By-Laws of the Eastvale Community Foundation.

8. NEW BUSINESS ITEMS:

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. **Public Comment is limited to two (2) minutes with a maximum of six (6) minutes.***

8.1 Municipal Code Adoption.

Recommendation: Hold first reading of Ordinance No. 2013-01, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ADOPTING AND ENACTING A NEW CODE FOR THE CODE OF THE CITY OF EASTVALE, CALIFORNIA; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE

8.2 Approval of various administrative policies.

Recommendation: Approve attached administrative policies.

8.3 Award Strategic Plan to Applied Development Economics.

Recommendation: Award strategic plan to Applied Development Economics in the amount of \$39,860.

8.4 Direction to Staff regarding Housing Element related work in 2013.

Recommendation: Provide direction to Staff regarding work to implement and update the Housing Chapter of the Eastvale General Plan.

8.5 City Council Appointments to Outside Boards and Commissions.

Recommendation: Review the current appointments to outside boards and commissions and determine appointments for 2013.

8.6 City Council Appointment to Planning Commission.

Recommendation: Nomination of Planning Commissioner by Council Member Howell.

8.7 City Council Appointments to Public Safety Commission.

Recommendation: Nomination of Public Safety Commissioners by Council Member Howell and Council Member DeGrandpre.

9. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Council Members to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

10. CITY MANAGER'S REPORT:

11. CLOSED SESSION:

12. ADJOURNMENT:

The next regular meeting of the Eastvale City Council will be held on January 23, 2013 at 6:30 p.m. at Rosa Parks Elementary School.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City of Eastvale. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

POSTING STATEMENT:

I, Ariel Berry, Assistant City Clerk or my designee hereby certify that a true and correct, accurate copy of the foregoing agenda was posted January 3, 2013, seventy-two (72) hours prior to the meeting per Government Code 54954.2, at the following locations:

Eastvale City Hall 12363 Limonite Ave. Suite 910

Rosa Parks Elementary School 13830 Whispering Hills Drive

Eastvale Library 7447 Cleveland Avenue

City of Eastvale Website, www.eastvaleca.gov

MINUTES
JOINT WORKSHOP MEETING OF THE CITY COUNCIL
AND PUBLIC SAFETY COMMISSION
OF THE CITY OF EASTVALE
Wednesday, December 12, 2012
5:00 P.M.
Rosa Parks Elementary School 13830 Whispering Hills Drive

1. **CALL TO ORDER:** 5:00 p.m.

2. **ROLL CALL/PLEDGE OF ALLEGIANCE/INVOCATION:**

Public Safety Commissioners present: Commissioners Medrano, Allis and Johnson.

Council Members present: Council Members Bootsma, Welch, Rush, Mayor Pro Tem Howell and Mayor DeGrandpre.

Mayor Pro Tem Howell arrived at 5:01 p.m.

Staff Members present: City Manager Jacobs, City Attorney Cavanaugh, Public Information Officer Nissen, Police Captain Feltenberger and Assistant City Clerk Berry.

3. **PUBLIC COMMENT/CITIZEN PARTICIPATION:**

There was no Public Comment.

4. **NEW BUSINESS ITEMS:**

4.1 **Discussion regarding Public Safety Commission Duties and Meetings.**

Past issues of the Commission were discussed.

Roosevelt Blow, a resident and former Public Safety Commissioner, spoke about his experiences on the Public Safety Commission and made the recommendation that the Public Safety Commission review and have input on the Police and Fire services contracts, as well as be in charge of Emergency Operations planning and training exercises.

After much discussion it was decided that the Public Safety Commission would address the following issues:

- Traffic Concerns
- Neighborhood Watch
- Emergency Operations
- Community Outreach for Crime Prevention

Staff was directed to send emergency notifications that did not contain confidential information to the Public Safety Commissioners. The City Manager, Assistant City Clerk, Police Captain, Fire Captain, and Traffic Engineer would provide staff support for the Public Safety Commission.

5. COUNCIL/COMMISSION COMMUNICATIONS:

Commissioner Medrano commended the Sheriff's Department for their professionalism in handling a recent break-in on Pear Avenue.

6. CITY MANAGER'S REPORT:

None.

7. ADJOURNMENT:

There being no further business, the meeting was adjourned at 6:07 p.m.

Prepared by: Ariel Berry, Assistant City Clerk

MINUTES
REGULAR MEETING OF THE CITY COUNCIL,
OF THE CITY OF EASTVALE
Wednesday, December 12, 2012
6:30 P.M.

Rosa Parks Elementary School 13830 Whispering Hills Drive

1. **CALL TO ORDER:** 6:30 p.m.

2. **ROLL CALL/PLEDGE OF ALLEGIANCE/INVOCATION:**

Council Members present: Council Members Bootsma, Welch, Rush, Mayor Pro Tem Howell and Mayor DeGrandpre.

Staff Members present: City Manager Jacobs, City Attorney Cavanaugh, Public Information Officer Nissen, Planning Director Norris, City Engineer Alvarez, and Assistant City Clerk Berry.

The Pledge of Allegiance was led by Mayor DeGrandpre.

Invocation was presented by Pastor Ed Moreno with New Day Christian Church.

3. **PRESENTATIONS/ANNOUNCEMENTS:**

There were no presentations.

4. **PUBLIC COMMENT/CITIZEN PARTICIPATION:**

Chad Blais, Planning Commissioner, thanked the City Council for the opportunity to serve the community as a Planning Commissioner, but had to announce his resignation from the Planning Commission due to his recent success in being elected to the Jurupa Community Services District Board of Directors.

Cesar Morales, a resident, brought a traffic concern to the City Council. He suggested that the City have a person directing traffic at the Hamner and Citrus detour intersection during peak traffic hours.

City Manager Jacobs stated that staff at City Hall had been receiving complaints and concerns regarding the detour and had been discussing possible resolutions with the City of Norco. Staff went on to discuss the financial impacts of multiple solutions.

Mayor DeGrandpre suggested the possibility of having someone there to direct traffic in the peak hours.

The timeline of the project was discussed. Staff stated that it was projected to be complete in April 2013.

5. CONSENT CALENDAR:

5.1 Minutes – November 14, 2012 Regular Meeting.

Recommendation: Approve the minutes from the regular meeting on November 14, 2012.

5.2 Residential Foreclosure Ordinance. **PULLED FOR DISCUSSION******

Recommendation: hold second reading and adopt Ordinance No. 2012-14, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ESTABLISHING THE REGISTRATION OF RESIDENTIAL PROPERTY IN FORECLOSURE PROGRAM TO THE EASTVALE MUNICIPAL CODE

5.3 Acceptance and Quitclaim of Storm Drain Easement for the Eastvale Fieldmaster Street Storm Drain, STG 2.

Recommendation: Adopt Resolution No. 12-54, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING AND QUITCLAIMING OF STORM DRAIN EASEMENT RELATED TO THE FIELDMASTER STREET MASTER-PLANNED STORM DRAIN, TO THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

5.4 Acceptance and Quitclaim of Storm Drain Easements for the Eastvale Cucamonga Creek/Schleisman Road Storm Drain.

Recommendation: Adopt Resolution No. 12-55, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING AND QUITCLAIMING OF STORM DRAIN EASEMENT RELATED TO THE CUCAMONGA CREEK/SCHLEISMAN ROAD MASTER-PLANNED STORM DRAIN, TO THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

And Adopt Resolution No. 12-56, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING AND QUITCLAIMING OF STORM DRAIN EASEMENT RELATED TO THE CUCAMONGA CREEK/SCHLEISMAN

ROAD MASTER-PLANNED STORM DRAIN, TO THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

5.5 Acceptance of Subdivision Improvements for Tracts 30466, -1, -2 & -3; Lennar Homes – Project 10-0100 & 12-0216.

Recommendation: Accept as complete the Subdivision Improvements and direct staff to file respective Notice of Completions for the following subdivisions: Tract 30466, Lennar Homes (Project 10-0100 & 12-0216); Tract 30466-1, Lennar Homes (Project 10-0100 & 12-0216); Tract 30466-2, Lennar Homes (Project 10-0100 & 12-0216); Tract 30466-3, Lennar Homes (Project 12-0216); and

Adopt Resolution No. 12-57, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR PROJECT 10-0100 & 12-0216 (TRACT 30466) LENNAR HOMES

5.6 Warrant Register.

Recommendation: Approve the payment of the warrants (check numbers 11141-11142 and 11171-11172 and 11174-11208 and wire numbers W000075 to W000084) in the amount of \$2,022,229.94 and payroll in the amount of \$42,569.25.

5.7 Warrant Register – Council Related Items.

Recommendation: Approve the payment of the warrants (check numbers 11170, 11173, 11209 and wire number W000080) in the amount of \$269.43.

Motion: Moved by Bootsma, seconded by Welch to approve the Consent Calendar as presented with the exception of Item 5.2.

Motion carried 5-0.

Mayor DeGrandpre stated that he pulled Item 5.2 for discussion because additional information had been gathered since the first reading of the ordinance.

Kathy Walker, with Inland Gateway Association of Realtors, spoke in opposition of the item.

Cesar Morales, a resident, spoke in opposition of the item.

Rob Arrietta, Board Member of the Inland Gateway Association of Realtors, spoke in opposition of the item.

Brian Edgell, a local real estate broker, presented statistics to the City Council and spoke in opposition of the item.

Staff discussed the particulars of the ordinance. The City Attorney stated that the ordinance did not allow for trespassing on the properties in question.

Edward Zorn, with the Inland Gateway of Realtors, spoke in opposition of the item.

Motion: Moved by Rush, seconded by Welch to continue the item and have two City Council Members meet with staff and representatives from the real estate profession to clear up any questions they may have.

Motion carried 5-0.

It was determined that Council Member Rush and Mayor DeGrandpre would be the liaisons.

6. PUBLIC HEARINGS:

6.1 Public Hearing – Residential Foreclosure Registration Fees.

Recommendation: That the City Council conduct a public hearing and adopt Resolution No. 12-53, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE
ADOPTING A FEE FOR THE REGISTRATION OF RESIDENTIAL
PROPERTY IN FORECLOSURE PROGRAM

This item was continued to an unknown date.

6.2 Public Hearing – Designating a Target Area for Community Development Block Grant Funding.

Recommendation: Conduct a public hearing and adopt Resolution No. 12-58, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE,
CALIFORNIA, DESIGNATING THE CHANDLER STREET CORRIDOR AS
A QUALIFYING TARGET AREA FOR PURPOSES OF COMMUNITY
DEVELOPMENT BLOCK GRANT FUNDING

City Engineer Alvarez provided the staff report.

There was discussion regarding the property surrounding the projects that belonged to the Orange County Flood Control District.

There was discussion regarding the strategy of notifying the residents in the area, and working with the residents for any fences that may be in the right of way. Notices would be in both English and Spanish.

Council Member Bootsma and Mayor Pro Tem Howell would remain on the committee to work with the project area.

The Public Hearing was opened at 7:17 p.m. There being no comments, the Public Hearing was closed at 7:17+ p.m.

Motion: Moved by Rush, seconded by Howell to approve the item as presented.

Motion carried 5-0.

7. OLD BUSINESS:

7.1 Letter Supporting The City of Jurupa Valley And Their Opposition To The Current Proposal Of The Riverside Transmission Reliability Project.

Recommendation: Review and authorize staff to send the letter.

City Manager Jacobs provided the staff report. She stated that Staff would like to make revisions to the letter to focus on aesthetics and the effect on property values, as well as to request that an alternate route be considered.

Council Member Rush asked that Staff members be careful with the wording of the letter, and discussed the process of approval for the particular type of project proposed.

Motion: Moved by Welch, seconded by Bootsma to direct staff to send the letter with the suggested amendments.

Motion carried 5-0.

7.2 Revision of Office Assistant Job Description.

Recommendation: Approve revisions to Office Assistant job description.

City Manager Jacobs provided the staff report.

There was a brief discussion about the position and changes to the job description.

Motion: Moved by Rush, seconded by Howell to approve the item as presented.

Motion carried 5-0.

7.3 Request from New Day Church for Waiver of Fees.

Recommendation: Provide direction to Staff on the Request Waiver of Fees.

Planning Director Norris provided the staff report.

There was discussion on the amount of the fees, and which fees could be waived by the City, and which fees were collected to be forwarded to outside agencies.

There was additional discussion about how waiving the fees would be perceived and issues that could arise from doing so.

Cesar Morales, a resident, stated that he felt that the fees should not be waived, but that the City should assist the church in doing a fundraiser to come up with the funds needed to cover the fees.

Ed Moreno, with New Day Church, thanked the City Council for their consideration and explained the problems that the Church has encountered with their project so far.

There was additional discussion on the fees and what options the City Council had in the situation.

Motion: Moved by Bootsma, seconded by Howell to not waive any of the fees, and to allow New Day Church to set up a payment plan with a timeline to be determined by the City's Finance Department.

Motion carried 3-2 with Council Members Welch and Rush voting no.

7.4 Eastvale Community Foundation.

Recommendation: Authorize change in By-Laws of the Foundation and hold a workshop to discuss the direction of the Eastvale Community Foundation.

City Attorney Cavanaugh provided the staff report.

There was discussion on some of the requested changes It was decided that it would be best to discuss the changes after the Joint Workshop with the Community Foundation Board.

Motion: Moved by Howell, seconded by Rush to continue the item until after the Joint Workshop.

Motion carried 5-0.

8. NEW BUSINESS ITEMS:

ITEM 10.1 WAS ADDRESSED AT THIS TIME.

8.1 November 2012 Election Results.

Recommendation: Adopt Resolution No. 12-59, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2012, DECLARING THE RESULTS AND SUCH MATTERS AS PROVIDED BY LAW

Assistant City Clerk Berry provided the staff report.

Motion: Moved by Howell, seconded by Rush to approve the item as presented.

Motion carried 5-0.

At this time, Council Member DeGrandpre and Council Member Bootsma were sworn in for their new 4-year term, ending in 2016.

8.2 City Council Re-Organization.

Recommendation: Discuss and select a Mayor and Mayor Pro-Tem.

Council Member Bootsma was nominated for Mayor.

Motion: Moved by Welch, seconded by Howell to select Council Member Bootsma to serve as Mayor for 2013.

Motion carried 4-0-1 with Council Member Bootsma abstaining.

Council Member Welch was nominated as Mayor Pro Tem and graciously declined the nomination.

Council Member Rush was nominated as Mayor Pro Tem.

Motion: Moved by DeGrandpre, seconded by Howell to select Council Member Rush to serve as Mayor Pro Tem for 2013.

Motion carried 4-0-1 with Council Member Rush abstaining.

City Manager Jacobs presented the out-going Mayor and Mayor Pro Tem with plaques of appreciation for their service.

9. COUNCIL COMMUNICATIONS:

Council Member Rush discussed recent articles in the newspaper about maternity hotels and asked Code Enforcement to look into a home in the City for a potential violation of the zoning code.

Council Member Bootsma thanked the Key Club in Eastvale for their help in picking up political signs, and announced that the Eastvale Community Foundation would be hosting a Spark of Love event that Sunday at noon, at the Eastvale Fire Station.

10. CITY MANAGER'S REPORT:

10.1 Establish Ad Hoc Committee to Review RFP for Strategic Plan.

Recommendation: Appoint two Council Members to review and provide recommendations on consultant for Strategic Plan.

City Manager Jacobs provided the staff report.

After discussion it was decided that Council Member Rush and Mayor Pro Tem Howell would serve on the Ad Hoc Committee with the City Manager, City Attorney, and the Public Information Officer.

Motion: Moved by Rush, seconded by Howell to appoint Council Member Rush, Mayor Pro Tem Howell, the City Manager, City Attorney and Public Information Officer to the Ad hoc Committee.

Motion carried 5-0.

11. CLOSED SESSION:

The City Council opened closed session at 8:16 p.m. to address the following items:

11.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO SECTION 54957:

Title: City Manager

11.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Initiation of litigation pursuant to subdivision (c) of Section 54956.9:

Number of Cases: One (1)

The City Council convened closed session at 9:30 p.m. with no reportable action taken.

12. ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:30 p.m.

Prepared by: Ariel Berry, Assistant City Clerk

**City of Eastvale, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2012**

Prepared by:
Department of Finance and Administration

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**City of Eastvale
Comprehensive Annual Financial Report
June 30, 2012**

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**City of Eastvale
Comprehensive Annual Financial Report
June 30, 2012**

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December 20, 2012

Honorable Mayor, City Council,
And Citizens of the City of Eastvale
City of Eastvale
Eastvale, CA 91752

**Letter of Transmittal
Fiscal Year 2011-12 Comprehensive Annual Financial Report (CAFR)**

Dear Honorable Mayor, Council Members and Eastvale Citizens,

I am pleased to present the 2011-12 Comprehensive Annual Financial Report (CAFR) for the City of Eastvale, California for the fiscal year ended June 30, 2012, the first such report for the City of Eastvale.

This report consists of management representations concerning the finances of the City of Eastvale in its second year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Eastvale continues to establish a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Eastvale's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Eastvale's comprehensive framework of internal controls is being designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

State Law and the City's Municipal Code require that an annual financial report is prepared. This report fulfills that obligation. It has been prepared in conformity with generally accepted accounting principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB).

The City of Eastvale's financial statements have been audited by Teaman, Ramirez, & Smith, Inc., a firm of certified public accountants and consultants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Eastvale for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent

Auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative of introductions, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Eastvale's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

Profile of the Government

The City of Eastvale is proud to be one of the newest cities in Western Riverside County. The City of Eastvale incorporated on October 1, 2010 and has an ever-growing population of over 55,602 residents and a total area of 13.1 square miles. The City of Eastvale is located in northwestern Riverside County, California, the Inland Empire region of Southern California. The proximity of Los Angeles County approximately 8 miles northwest of Eastvale and Orange County approximately 5 miles to the southwest has made Eastvale something of a commuter town.

Eastvale has a Council-Manager form of government. The City Council consists of 5 Council Members, elected at large on a non-partisan basis and annually select amongst them, a Mayor and Mayor Pro Temp. Biannual elections are held in November. The terms of office are 4 years but are overlapping so that the City is provided with a continuity of knowledge in the City business and legislative matters.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Eastvale's City Council is financially accountable. The City provides a wide range of services including planning, building, public works, engineering, code enforcement, and general administrative activities. Services including street maintenance, police, animal control and fire protection are also provided to the City and its citizens through contract with the County of Riverside. Other services are provided directly through other agencies, specifically library services through the County of Riverside, water and sewer through the Jurupa Community Services District, parks and recreation through the Jurupa Community Services District and Jurupa Area Recreation and Parks District, and public transit through the Riverside Transit Agency. The City has franchise agreements for electricity service through Southern California Edison, natural gas through the Gas Company, refuse collection through Waste Management and Burretec, and cable service through state franchise agreements with Pacific Bell (AT&T), Time Warner and Charter Communications.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as the appointment of members of various statutory and advisory boards and the City Manager and City Attorney. As Chief Administrative Officer, the City Manager has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the Council.

Relevant financial policies

The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following incorporation, the

City adopted all of the County's policies/codes. As the City develops its own unique needs, it will continue to create and tailor these former County policies to directly address the City's goals.

The Budget Process

Beginning at incorporation, and continuing each year thereafter, the City embarks on a strategic planning process which begins in the spring with a discussion of the City Council goals and priorities and ends with the adoption of the budget in June. The annual budget serves as the foundation for the City of Eastvale's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities operating budget, and the development of the capital improvement program (CIP) focusing on longer term capital projects.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Eastvale operates.

The City of Eastvale, in its second year of incorporation, with a young and growing population, remains one of the bright spots in the local economy. Despite the anemic economic environment throughout Riverside County and the State of California, several housing tracts and commercial projects are under construction, and the pace of housing growth in Eastvale exceeds that of cities several times its size.

The origin and financial projections for this city were based on the Comprehensive Financial Analysis report (CFA). This report projected the proposed city's fiscal stability based on the economic trends and legislative climate of 2008. Since incorporation, the fiscal viability of the city has been challenged by the State's passage of SB89 eliminating the City's annual Vehicle License Fee Revenue of approximately \$3,400,000.

Despite the confiscation of funds by the State, the City has experienced higher than projected sales tax and franchise fee revenue to mitigate the loss of State revenues. Retail sales, with the addition of several new stores in the Eastvale Gateway South and the Marketplace at the Enclave, experienced strong growth. Sales tax collections increased from \$1.5 million in fiscal year 2010-11 (a partial year) to \$3.9 million in fiscal year 2011-12. In addition, the City collected a 227% increase in franchise fee revenue in fiscal year 2011-12 from \$1.3 million compared to \$593,658 in fiscal year 2010-11.

Current Year Initiatives

In spite of fiscal issues that are outside of the City's direct control, management continued to move the City forward with several major initiatives as follows:

- Transitioned from Interim to Permanent City Manager.
- Adopted the City's General Plan which includes all required elements along with a related general plan housing element. This plan provides the basis for future land use planning and development decisions over a 20 year horizon, and will include provisions for adopting "sustainable communities" blueprints mandated by California state law.

- Initiated Economic Development to encourage investment and focus on creating jobs and providing long term revenue to support essential City services. As part of economic development, the City published marketing materials promoting investment, development or relocation of commercial development in the City of Eastvale.
- Implemented a Pavement Management System as an asset management tool to guide future and current roadway maintenance funding decisions. As part of the development of the Pavement Management System, the City's Public Works department performed an assessment of all of the City's roadway systems in order to establish initial conditions and a long-term pavement management plan.
- Entered into a cooperative agreement with the City of Norco and in conjunction with Western Region Council of Governments for the Hamner Avenue Widening project and with the City of Jurupa Valley and County of Riverside for the Limonite Avenue Resurfacing project.

Long-term financial planning and initiatives

The City will continue to focus its emphasis on controlled and fiscally balanced growth. The City believes that with the appropriate policies in place, as approved and revisited each year as part of the budget program, the City's long term financial goals will be met. The City has taken many steps to preserve the City's financial integrity, maintain critical service levels, and sustain a reserve to grow the City into the coming years.

Concluding remarks

The City, in its second year of operation, has achieved a great deal in transitioning from the County support services and establishing its own culture and approach to local governance. This second year provided the city the opportunity to start the implementation of its longer term oriented policies and procedures and making adjustments as needed. Building on these experiences, the forthcoming third year of operation is poised to refine and enhance these activities which will provide the needed foundation for future successful operations and service delivery.

In closing, I'd like to state that the preparation of this report would not have been possible without the efficient and dedicated service of the Finance Department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for striving to have the highest standards of professionalism in the management of the City of Eastvale's finances.

Respectfully submitted,



Carol Jacobs
City Manager

CITY OF EASTVALE

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2012

CITY COUNCIL

JEFF DEGRANDPRE
Mayor

KELLY HOWELL
Mayor Pro Tempore

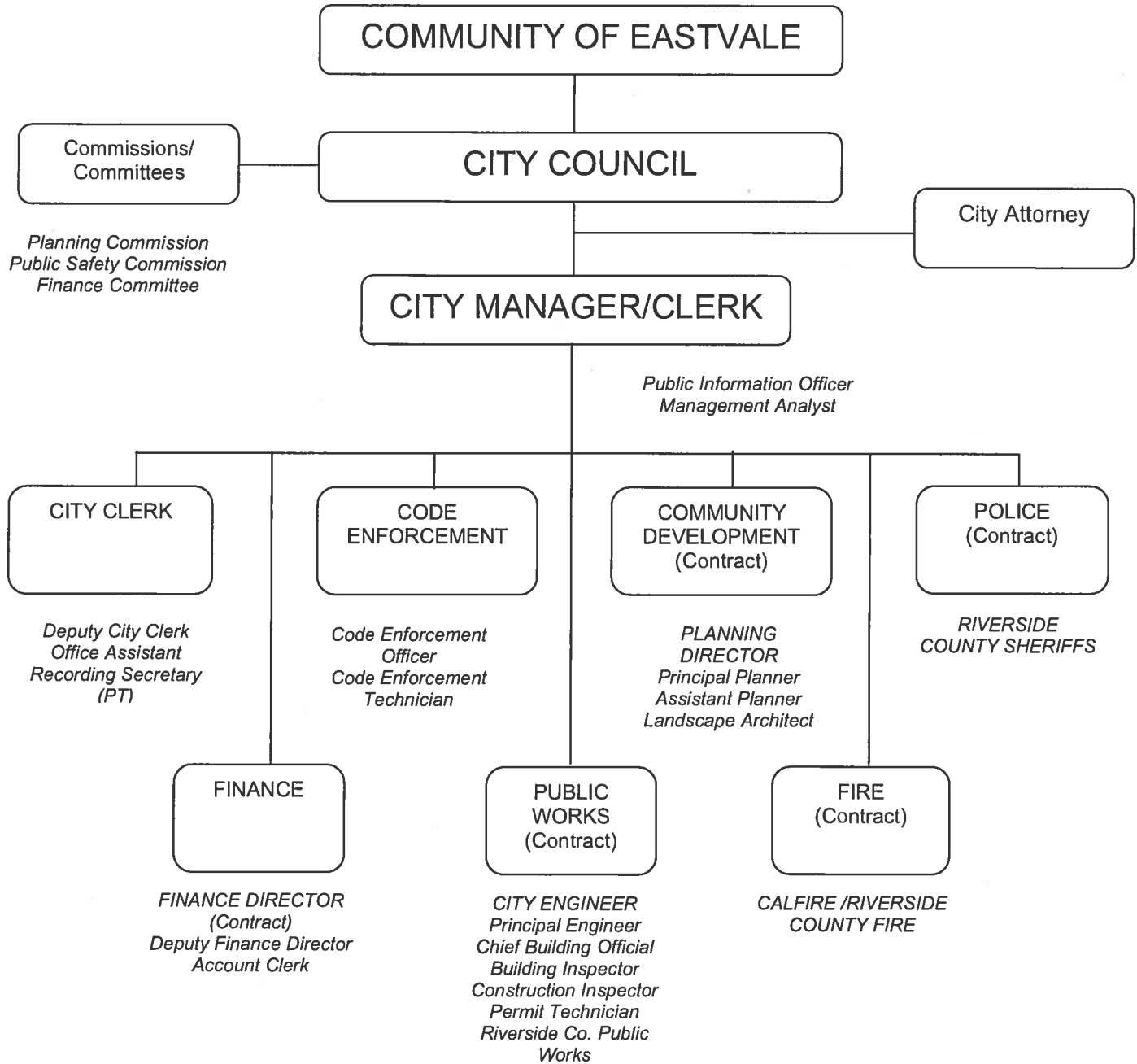
RIC WELCH, Council Member
ADAM RUSH, Council Member
IKE BOOTSMA, Council Member

CITY ADMINISTRATION

CAROL JACOBS
City Manager

JOHN CAVANAUGH, City Attorney
TERRY SHEA, Finance Director

**City of Eastvale
Organizational Chart
June 30, 2012**



Independent Auditors' Report

City Council
City of Eastvale, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Eastvale, California (City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and budgetary comparison schedules on pages 3, 38, and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America,

which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eastvale's financial statements as a whole. The introductory section, the supplementary information (supplementary schedules), as listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Teaman Ramirez & Smith, Inc.

December 20, 2012

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Management's Discussion and Analysis

As management of the City of Eastvale, California (City), we are pleased to offer to the readers of the City's financial statements this narrative, overview, and analysis of the financial activities of the City for the year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Financial Highlights

When revenues exceed expenses, the result is an increase in net assets. When expenses exceed revenues, the result is a decrease in net assets. The relationship between the revenues and expenses can be thought of as the City's operating results. The City's net assets, as measured in the Statement of Net Assets, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets, as measured in the Statement of Activities, are another indicator of whether its financial health is improving or deteriorating. However, it is the City's goal to provide services that improve the quality of life of the residents, and not to generate profits like a company.

It is for that reason that readers need to consider many other non-financial factors, such as the condition of roads, in assessing the overall health of the City. It is also important to note that the City's prior year financial statements reported on only a nine month period or 3/4 of a fiscal year. This is the first full fiscal year since incorporating in October 1, 2010.

- The assets of the City exceeded its liabilities at the end of fiscal year 2012 by \$189,467,246. The difference between assets and liabilities is referred to as net assets. This is an \$8,228,821 increase from the prior year. The increase is mostly attributed to capital contributions.
- As of June 30, 2012, the City's governmental funds reported combined fund balances of \$11,447,674, a \$5,391,042 increase in comparison to the prior year. Approximately 63.1 percent, or \$7,223,650, of the total amount of the governmental funds' fund balances are unassigned.
- As of June 30, 2012, unassigned fund balance for the General Fund was \$7,227,171, or 76.1 percent of total General Fund expenditures. The fund balance increased \$3,295,006 from the prior year. Again, this is mostly attributed to the fact that the prior year financial statements covered only a nine month period.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Eastvale's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

Government-wide financial statements include a statement of net assets and a statement of activities. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases may provide a useful indicator on whether the financial position of the City is improving or deteriorating.

The *statement of activities* provides information showing how the City's net assets changed during the most recent fiscal year. These changes are reported using the full accrual basis of accounting, that is, when the economic event occurs, rather than when cash is received or paid. Under this basis of accounting, revenues and expenses are reported in the statement for some items that will only result in future cash inflows or outflows such as vacation earned but not paid and uncollected taxes.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, economic development, building and planning, animal control, and public works. The City does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, and Gas Tax Special Revenue Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, debt service fund and capital projects fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Fiduciary funds: *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Notes to the basic financial statements: The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the Table of Contents under the heading Notes to the Financial Statements.

Other supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), about the City's General Fund and the Gas Tax Fund budgetary comparison. The combining statements referred to earlier in connection with nonmajor governmental funds are presented for all non-major Special Revenue Funds. The supplementary financial information also includes budgetary comparison schedules for the nonmajor governmental funds to demonstrate compliance with the annual budget as adopted and amended. The Required Supplementary Information can be found following the Notes to Financial Statements.

The combining statements for nonmajor governmental funds and the budgetary comparison schedules for the nonmajor governmental funds can be found following the Required Supplementary Information.

Government-wide financial analysis

The government-wide financial statements provide long-term and short term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

For the fiscal year ended June 30, 2012, City assets exceeded liabilities by \$189,467,246 as summarized below:

**City of Eastvale
Summary of Net Assets
For the Year Ended June 30, 2012**

	Governmental Activities	
	2012	2011
Assets:		
Current and other assets	\$ 12,555,547	\$ 6,303,315
Capital assets (net of depreciation)	179,844,728	175,187,193
Total assets	<u>192,400,275</u>	<u>181,490,508</u>
Liabilities:		
Current and other liabilities	1,107,873	294,107
Long-term liabilities	1,825,156	168,096
Total liabilities	<u>2,933,029</u>	<u>462,203</u>
Net assets:		
Invested in capital assets, net of related debt	179,844,728	175,187,193
Restricted	4,306,367	2,098,477
Unrestricted	5,316,151	3,742,635
Total net assets	<u>\$ 189,467,246</u>	<u>\$ 181,028,305</u>

Total assets increased \$10,909,767 as a result of significant increases in cash and because fiscal year 2011-2012 was the City's first full fiscal year of conducting governmental activities. The prior year financial statements covered only a nine month period since the City's incorporation in October 2010. This increase is further explained by the City experiencing an increase of property and sales taxes of \$3,919,637 from the County of Riverside in fiscal year 2011-2012. Assets also increased by \$3,144,487, due to an increase in revenue collected from the issuance of licenses and permits.

Current and other liabilities increased by \$813,766 due to the City now incurring the costs for police and fire services, which were provided by the County in the prior year. Long-term liabilities primarily increased due to the addition of the Revenue Neutrality liability of \$1,803,845 due to the County of Riverside.

Invested in capital assets, net of related debt, represents 94.9 percent of the City's net assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net assets, \$4,306,367 or 2.2 percent, represents resources that are subject to restrictions on how they may be used. The remaining balance, unrestricted net assets, is \$5,316,151

Statement of Activities: The statement of activities shows how the City's net assets changed during the fiscal year 2011-2012. Provided below is a summary of changes in net assets.

**City of Eastvale
Summary of Changes in Net Assets
For the Year Ended June 30, 2012**

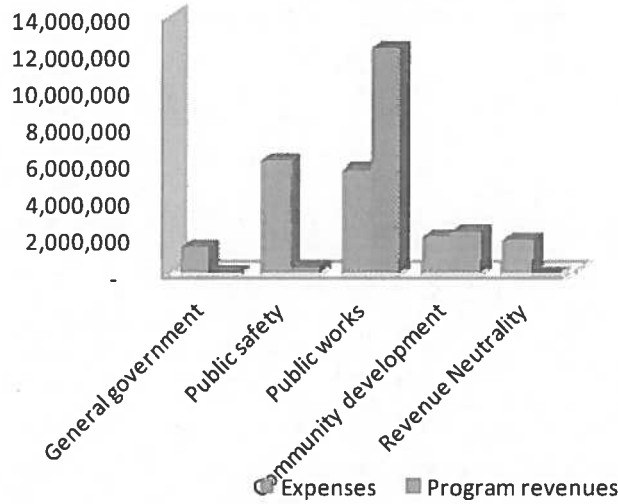
	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues:		
Charges for services	\$ 2,468,363	\$ 915,095
Operating grants and contributions	2,940,491	1,898,712
Capital grants and contributions	9,533,039	179,045,821
General revenues	10,208,769	9,480,866
Total revenues	<u>25,150,662</u>	<u>191,340,494</u>
Expenses:		
General government	1,390,673	902,794
Public safety	6,107,083	4,458,890
Public works	5,628,714	3,928,435
Community development	1,991,526	1,021,939
Revenue Neutrality	1,803,845	-
Interest on long term debt	-	131
Total expenses	<u>16,921,841</u>	<u>10,312,189</u>
Increase in net assets	8,228,821	181,028,305
Net assets beginning, as restated	181,238,425	-
Net assets ending	<u><u>\$ 189,467,246</u></u>	<u><u>\$ 181,028,305</u></u>

The City's total revenues were \$25,150,662, while the total cost of all programs and services was \$16,921,841. Total revenues decreased \$166,189,832 from the prior year. The change is mainly due to a decrease of \$169,512,782 in capital grants and contributions. Although total revenues decreased overall, it is important to note that all other revenues, except for capital grants and contributions, increased by \$3,322,950. The increase is attributable to this being the City's first full fiscal year since incorporation and an increase in sales tax.

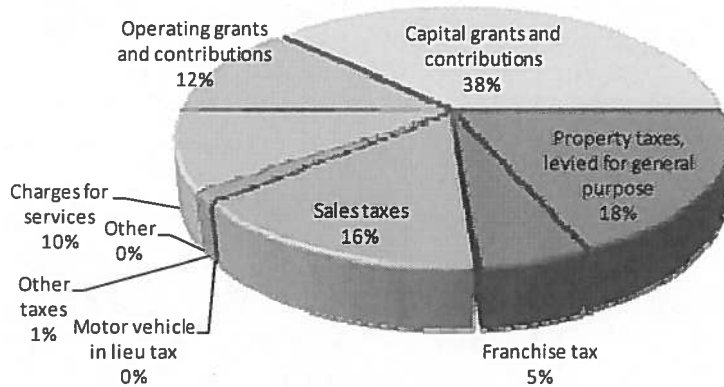
Total expenses increased \$6,609,652 over the prior year. The increase in expenses is due to fiscal year 2011-2012 being the first full year since incorporation. The prior year fiscal year covered only 9-months of operations whereas this fiscal year recorded expenses for a full fiscal year.

The charts below provide graphic representation of the City's expenses compared to program revenues by function and its revenue by source. As noted earlier, it is important to take into consideration that the City's prior year financial statements reported on only a 9 month period or 3/4 of a fiscal year. This is the first full fiscal year since incorporating in October 1, 2010.

Expenses and Program Revenues - Governmental Activities



Revenues by source - Governmental Activities



The governmental activities' expense and program revenue chart is designed to reflect expenses associated with each City function and the revenues that are directly attributable to each function. It is important to note that general revenues such as property, sales and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide. Regarding the revenues by source chart, it shows that 18 percent of governmental activities revenues came from property tax.

Financial Analysis of City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$11,447,674. Of the \$11,447,674, \$7,223,650 or 63.1 percent constitutes unassigned fund balance. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending or constraints are placed on the use of resources, respectively.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2012, unassigned fund balance was \$7,227,171. As a measure of the General Fund's financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 76.1 percent of General Fund expenditures.

Overall, General Fund revenues for fiscal year ended June 30, 2012 totaled \$12.7 million, compared to \$10.4 million for the previous year. The major components are property taxes (\$5 million), sales taxes (\$4 million), and franchise taxes (\$1.3 million).

General Fund expenditures totaled \$9.5 million for the fiscal year ended June 30, 2012, compared to \$6.5 million for the previous year.

Both revenues and expenditures were significantly higher than the previous year because fiscal year 2011-2012 was the first full fiscal year in the City's existence.

The differences between General Fund budget and actual are summarized below:

- General Fund actual revenues were above budget by \$661,936.
- Actual expenditures were \$1,156,805 less than the budgeted amount of \$10,650,785.

Capital Assets and Debt Administration

Capital Assets: City investment in capital assets for its governmental type activities as of June 30, 2012, amounted to \$179,844,728 (net of accumulated depreciation). During the year, \$9,604,028 of capital assets were added for the governmental activities.

Major capital assets events during the current fiscal year included the following:

- Purchase of software \$156,200.
- Infrastructure assets donated by private sources to the City \$9,429,497. Additional information on the City's capital assets can be found in note 5 to the basic financial statements and a summary is provided below.

**City of Eastvale
Summary of Capital Assets (net of depreciation)**

	Governmental Activities	
	2012	2011
Leashold improvements	\$ 28,380	\$ 23,093
Machinery, equipment and vehicle	52,334	56,898
Software	145,043	-
Infrastructure	179,618,971	175,107,202
Total	<u>\$ 179,844,728</u>	<u>\$ 175,187,193</u>

Long-term debt: At the end of fiscal year 2012, the City's total long-term debt outstanding was \$1,825,156. This amount was comprised of \$1,803,845 in Revenue Neutrality and \$21,311 in compensated absences.

Outstanding long-term debt of the City is summarized below and additional information can be found in note 6 to the basic financial statements.

**City of Eastvale
Summary Outstanding Long-Term Debt**

	Governmental Activities	
	2012	2011
Revenue Neutrality	\$ 1,803,845	\$ -
Compensated absences	21,311	5,400
Loan payable - County of Riverside	-	210,120
Total long-term debt	<u>\$ 1,825,156</u>	<u>\$ 215,520</u>

Economic Factors and Next Year's Budget

After the adoption of the City's Fiscal Year 2011/12 Budget, the State of California on June 28, 2011 approved SB 89 which eliminated Vehicle License Fees, which was a subvention collected by the State and allocated to cities. The City of Eastvale lost approximately \$3.4M for fiscal year 2011/12.

The fiscal year 2012/13 City budget was prepared conservatively. Property tax estimates were projected with minimal growth from the previous fiscal year and there were no tax rate or fee increases as part of the preparation of and adoption of the 2012/13 Budget. The only revenue with significant budgeted increases was Sales Tax and the increase over the prior year budgeted amount was \$1.3M.

The General Fund budget for fiscal year 2012-13 anticipates using \$516,990 of available reserves.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, City of Eastvale, 12363 Limonite Ave. Suite 910, Eastvale, California 91752, or call (951) 361-0900.

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**City of Eastvale
Statement of Net Assets
June 30, 2012**

ASSETS

Cash and investments	\$ 11,102,878
Receivables:	
Accounts	223,930
Intergovernmental	1,197,528
Interest	1,781
Prepaid item	29,430
Capital assets, net of accumulated depreciation	<u>179,844,728</u>
 Total assets	 <u>192,400,275</u>

LIABILITIES

Accounts payable and accrued liabilities	1,107,873
Noncurrent liabilities:	
Due within one year	20,017
Due in more than one year	<u>1,805,139</u>
 Total liabilities	 <u>2,933,029</u>

NET ASSETS

Invested in capital assets	179,844,728
Restricted:	
Public works	3,903,372
Community development	402,995
Unrestricted	<u>5,316,151</u>
 Total net assets	 <u>\$ 189,467,246</u>

The accompanying notes are an integral part of these financial statements.

City of Eastvale
Statement of Activities
For the year ended June 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
General government	\$ 1,390,673	\$ 73,668	\$ -	\$ -	\$ (1,317,005)
Public safety	6,107,083	221,138	117,031	-	(5,768,914)
Public works	5,628,714	-	2,823,460	9,429,497	6,624,243
Community development	1,991,526	2,173,557	-	103,542	285,573
Revenue Neutrality	1,803,845	-	-	-	(1,803,845)
	<u>\$ 16,921,841</u>	<u>\$ 2,468,363</u>	<u>\$ 2,940,491</u>	<u>\$ 9,533,039</u>	<u>(1,979,948)</u>
General revenues:					
Taxes					
					4,619,833
Property tax, levied for general purpose					1,346,490
Franchise tax					3,884,798
Sales tax					37,611
Motor vehicle in lieu tax					310,017
Other taxes					9,452
Investment earnings					568
Other					<u>568</u>
					<u>10,208,769</u>
Total general revenues					<u>10,208,769</u>
					8,228,821
Change in net assets					<u>8,228,821</u>
					<u>181,238,425</u>
Net assets, beginning of year, as restated					<u>181,238,425</u>
					<u>\$ 189,467,246</u>
Net assets, end of year					<u>\$ 189,467,246</u>

The accompanying notes are an integral part of these financial statements.

**City of Eastvale
Balance Sheet
Governmental Funds
June 30, 2012**

	General	Special Revenue Funds Gas Tax	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 7,180,382	\$ 2,448,869	\$ 1,473,627	\$ 11,102,878
Receivables:				
Accounts	223,930	-	-	223,930
Intergovernmental	818,401	210,234	168,893	1,197,528
Interest	1,781	-	-	1,781
Prepaid items	29,430	-	-	29,430
Due from other funds	39,393	-	-	39,393
	<u>\$ 8,293,317</u>	<u>\$ 2,659,103</u>	<u>\$ 1,642,520</u>	<u>\$ 12,594,940</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,036,716	\$ 62,284	\$ 8,873	\$ 1,107,873
Due to other funds	-	-	39,393	39,393
	<u>1,036,716</u>	<u>62,284</u>	<u>48,266</u>	<u>1,147,266</u>
Fund Balances:				
Nonspendable	29,430	-	-	29,430
Restricted	-	2,596,819	1,597,775	4,194,594
Unassigned	7,227,171	-	(3,521)	7,223,650
	<u>7,256,601</u>	<u>2,596,819</u>	<u>1,594,254</u>	<u>11,447,674</u>
Total liabilities and fund balances	<u>\$ 8,293,317</u>	<u>\$ 2,659,103</u>	<u>\$ 1,642,520</u>	<u>\$ 12,594,940</u>

The accompanying notes are an integral part of these financial statements.

**City of Eastvale
 Reconciliation of the Balance Sheet of
 Governmental Funds to the Statement of Net Assets
 June 30, 2012**

Fund balances of governmental funds	\$ 11,447,674
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	179,844,728
Long-term liabilities applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net assets.	
Revenue Neutrality	(1,803,845)
Compensated absences	<u>(21,311)</u>
Net assets of governmental activities	<u><u>\$ 189,467,246</u></u>

The accompanying notes are an integral part of these financial statements.

City of Eastvale
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012

	General	Special Revenue Funds Gas Tax	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 10,161,136	\$ -	\$ -	\$ 10,161,136
Licenses and permits	2,251,039	-	-	2,251,039
Fines and forfeitures	205,274	-	-	205,274
Intergovernmental	37,611	2,061,032	875,553	2,974,196
Special use fees	-	-	102,214	102,214
Investment earnings	9,452	2,785	2,449	14,686
Other	12,620	-	-	12,620
Total revenues	12,677,132	2,063,817	980,216	15,721,165
EXPENDITURES				
Current:				
General government	1,351,090	-	403	1,351,493
Public safety	5,985,056	-	117,031	6,102,087
Public works	48,477	556,191	105,818	710,486
Community development	1,991,526	-	-	1,991,526
Capital outlay	117,831	56,700	-	174,531
Total expenditures	9,493,980	612,891	223,252	10,330,123
Net change in fund balances	3,183,152	1,450,926	756,964	5,391,042
Fund balances, beginning of year, as restated	4,073,449	1,145,893	837,290	6,056,632
Fund balances, end of year	\$ 7,256,601	\$ 2,596,819	\$ 1,594,254	\$ 11,447,674

The accompanying notes are an integral part of these financial statements.

**City of Eastvale
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the year ended June 30, 2012**

Net change in fund balances - total governmental funds	\$	5,391,042
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.</p>		9,429,497
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>		
Cost of assets capitalized		174,531
Depreciation expense		(4,946,493)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:</p>		
Increase in accrued compensated absences payable		(15,911)
Increase in Revenue Neutrality		(1,803,845)
		(1,819,756)
Change in net assets of governmental activities	\$	8,228,821

The accompanying notes are an integral part of these financial statements.

City of Eastvale
Statement of Fiduciary Assets and Liabilities
June 30, 2012

	<u>Agency Fund</u>
ASSETS	
Cash and investments	<u>\$ 2,468,338</u>
Total assets	<u><u>\$ 2,468,338</u></u>
LIABILITIES	
Accounts payable	\$ 135,821
Deposits	<u>2,332,517</u>
Total liabilities	<u><u>\$ 2,468,338</u></u>

The accompanying notes are an integral part of these financial statements.

City of Eastvale
Notes to Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the reporting entity

The City of Eastvale was incorporated on October 1, 2010, under the laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including public safety, public services, community development, general administrative and other services. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be incomplete. Under this definition, it is determined that there are no component units for this reporting entity, and these financial statements present the financial reporting entity that consisted solely of the City as the primary government.

b. Government-wide and fund financial statements

The government-wide financial statements include a statement of net assets and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have any proprietary funds.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 1: Organization and Summary of Significant Accounting Policies (continued)

c. Measurement focus, basis of accounting, and financial statement presentation

The government-wide statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified-accrual basis of accounting*. Under the modified-accrual basis of accounting, revenues are recognized in these funds when susceptible to accrual (i.e. when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property taxes collected after year-end as available, if they are collected within 60 days of the end of the current fiscal period. Other revenue susceptible to accrual includes sales tax, state gasoline taxes, investment income, and certain other intergovernmental revenues. Expenditures in the governmental funds are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, as well as compensated absences and claims and judgments, which are recognized when due.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government not accounted and reported in another fund.

The *Special Revenue Fund (Gas Tax)* is used to account for the maintenance, rehabilitation, or improvement of public streets of the City. Financing is through the State Highway Users Tax Sections 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code.

Additionally, the City reports the following fund types:

The *Agency Fund* is used to account for the resources held by the City in a fiduciary capacity.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 1: Organization and Summary of Significant Accounting Policies (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, and then unrestricted resources, as they are needed.

Other Accounting Policies

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding are reported in the governmental-wide financial statements as "internal balances".

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 1: Organization and Summary of Significant Accounting Policies (continued)

Prepaid cost and deposits

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

Capital assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than or equal to \$5,000 (amount not rounded) and an estimated useful life of at least two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Leasehold improvements	10
Infrastructure	10 - 65
Vehicles	5 - 10
Office equipment	5 - 10
Computer equipment	5

Use of estimates

The financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 1: Organization and Summary of Significant Accounting Policies (continued)

Compensated absences

The City provides to its employees a comprehensive annual leave program. Leave pay is payable at the time it is taken or upon termination.

The total amount of liability for compensated absences is segregated between short-term and long-term with both portions reflected in the government-wide statements. The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Property taxes

The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. All secured personal property taxes and one-half of the taxes on real property are due November 1st, the second installment is due February 1st. All taxes are delinquent, if unpaid, on December 10th and April 10th respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31st.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 1: Organization and Summary of Significant Accounting Policies (continued)

Unearned revenues

In the government-wide financial statements and the fund financial statements, unearned revenues represent cash advances by various grantors that have not been spent; therefore no revenue has been recognized.

Fund equity

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council may establish (and modify or rescind) fund balance commitments by passage of an ordinance or resolution.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Budgetary Information

The City prepares its budgets on the basis of estimated actual expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis consistent with generally accepted accounting principles.

Each year, the City Manager submits a proposed budget to the City Council during May. The City Council holds budget hearings during May and June. The final budget is adopted by the City Council in June.

No budget expenditures can be disbursed without proper appropriations. Once the budget is adopted, no additional funds can be authorized without the City Council's approval. The level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the individual fund level. The City Manager can authorize budget transfers between departments without additional appropriations.

Throughout the year, budgeted expenditures are reviewed and projections are made by the City Manager. Therefore, any necessary changes are submitted for approval to the City Council with a recorded action for any budget adjustments.

Formal budgetary integration is employed as a management control device during the year for all the Governmental Type Funds. Budgets for all the Governmental Type Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council.

The following fund had expenditures in excess of appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Development Impact Fees	\$ -0-	\$ 38,790	\$ (38,790)

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2012, are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and investments	\$ 11,102,878
Statement of Fiduciary Assets and Liabilities	
Cash and investments	<u>2,468,338</u>
Total cash and investments	<u><u>\$ 13,571,216</u></u>

Cash and investments as of June 30, 2012, consist of the following:

Cash on hand	\$ 800
Deposits with financial institutions	9,052,404
Investments	<u>4,518,012</u>
	<u><u>\$ 13,571,216</u></u>

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on cash balances.

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Authorized investments

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 3: Cash and Investments (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U. S. Treasuries	5 years	None	None
Money Market Accounts	N/A	10%	5%
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Federal Agency Securities	5 years	None	None
Bankers Acceptances	180 days	10%	5%
Commercial Paper	270 days	10%	10%
Medium-Term Notes	5 years	15%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	10%	None

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations are presented below.

Investment Type	Totals	12 months or less	13 to 24 months	25 to 60 months
Local agency investment fund	\$ 2,005,200	\$ 2,005,200	\$ -	\$ -
Money market	2,512,812	2,512,812	-	-
Totals	<u>\$ 4,518,012</u>	<u>\$ 4,518,012</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 3: Cash and Investments (continued)

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Information about the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each type of investment held by the City can be found below.

Investment Type	Totals	Minimum legal rating	Ratings as of year end
Local agency investment fund	\$ 2,005,200	N/A	Not rated
Money market	<u>2,512,812</u>	N/A	Not rated
Totals	<u>\$ 4,518,012</u>		

Concentration of credit risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2012, no Investments in any one issuer (other than Mutual Funds and External Investment Pools) represented 5% or more of the City's investments.

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012, the City had deposits of \$2,262,812 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 3: Cash and Investments (continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The maximum investment in LAIF is \$50,000,000.

Note 4: Interfund Receivables and Payables

Funds	Due To Other Funds Nonmajor Governmental Funds
Due From Other Funds:	
General Fund	\$ 39,393

The due to General Fund from the Nonmajor Funds was a result of temporary deficit cash balances in those funds.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Leasehold improvements	\$ 25,659	\$ 11,576	\$ -	\$ 37,235
Vehicles	24,982	-	-	24,982
Machinery & equipment	37,238	6,755	-	43,993
Software	-	156,200	-	156,200
Infrastructure	178,707,578	9,429,497 *	-	188,137,075
Total capital assets, being depreciated	<u>178,795,457</u>	<u>9,604,028</u>	<u>-</u>	<u>188,399,485</u>
Less accumulated depreciation for:				
Leasehold improvements	(2,566)	(6,289)	-	(8,855)
Vehicles	(2,498)	(4,996)	-	(7,494)
Machinery & equipment	(2,824)	(6,323)	-	(9,147)
Software	-	(11,157)	-	(11,157)
Infrastructure	<u>(3,600,376)</u>	<u>(4,917,728)</u>	<u>-</u>	<u>(8,518,104)</u>
Total accumulated depreciation	<u>(3,608,264)</u>	<u>(4,946,493)</u>	<u>-</u>	<u>(8,554,757)</u>
Total capital assets, being depreciated, net	<u>175,187,193</u>	<u>4,657,535</u>	<u>-</u>	<u>179,844,728</u>
Governmental activities capital assets, net	<u>\$ 175,187,193</u>	<u>\$ 4,657,535</u>	<u>\$ -</u>	<u>\$ 179,844,728</u>

* Infrastructure assets were contributed from private sources.

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 23,769
Public safety	4,996
Public works	<u>4,917,728</u>
Total depreciation expense - governmental activities	<u>\$ 4,946,493</u>

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 6: Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2012 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Loan payable - County of Riverside	\$ 210,120	\$ -	\$ 210,120	\$ -	\$ -
Revenue Neutrality - County of Riverside	-	1,803,845	-	1,803,845	-
Compensated absences	5,400	28,255	12,344	21,311	20,017
	<u>5,400</u>	<u>28,255</u>	<u>12,344</u>	<u>21,311</u>	<u>20,017</u>
Governmental activity long-term liabilities	<u>\$ 215,520</u>	<u>\$ 1,832,100</u>	<u>\$ 222,464</u>	<u>\$ 1,825,156</u>	<u>\$ 20,017</u>

Governmental Activities:

Loan Payable - County of Riverside

As part of the Comprehensive Fiscal Analysis (CFA) prepared as part of the formation documents for the City, the County of Riverside (County) and other servicing agencies were to provide municipal level services during the transition year (October 1, 2010 through June 30, 2011). The County was to receive certain revenues on behalf of the City and apply them to the payment that would otherwise be necessary for providing those services. However, the County is allowed under the law to require the City to pay back the overall net cost of providing these services in the form of a loan. The loan has a 3 percent interest rate and does not have a set debt service schedule and shall be due within five (5) years of the agreement, but no later than June 30, 2016. The original loan amount and balance as of June 30, 2011 was \$210,120, and the City paid the entire balance during fiscal year 2011-12. During the current fiscal year the County advised the City that its original calculations were in error and the City did not owe the County for the transition period and was refunding the amount the City paid.

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 6: Long-Term Liabilities (continued)

Revenue Neutrality Agreement – County of Riverside

As part of the Incorporation process a Comprehensive Fiscal Analysis was prepared as to determine the fiscal feasibility and for revenue neutrality negotiations between the County of Riverside (County) and the City. It was determined that in the event of incorporation the revenue transferring to the City would be greater than net costs of services to be transferred, and would result in a negative fiscal impact to the County. To mitigate the negative fiscal impact the City and County entered into a Revenue Neutrality Agreement in which the City shall pay the County a portion of its tax revenues. The payments were developed utilizing the net county savings calculated under the revenue neutrality calculation for the base fiscal year 2007/2008, with a 3.5 percent annual inflation rate applied. The County's annual net financial loss is the difference between the adjusted Net County Cost and the amount of actual revenues as received and reported by the City in its annual audit report. The annual tax revenue payment is the sum of the County's base year net loss plus 40 percent of the net growth in the net loss over the base year.

The amount owed for fiscal years 2010-11 and 2011-12 is \$1,803,145. This amount plus the amount that will be owed for fiscal year 2012-13 are deferred until fiscal year 2013-14 and then will be due in ten annual payments with interest at 3 percent. There is no set debt service schedule at this time. In subsequent years an estimated amount is due within 60 days following the end of the City's fiscal year and the final balance owed within 60 days following the completion of the City's audited financial statements. The term of the agreement is for 30 years and extends to June 30, 2040

Note 7: Operating Lease

The City leases a copier/scanner/printer/fax under a noncancelable operating lease. Rental costs for the lease were \$3,681 for the fiscal year ended June 30, 2012. The future minimum lease payments as of June 30, 2012 are as follows:

Year	<u>Copier/Scanner/Printer/Fax</u>
2013	\$ 3,690
2014	3,690
2015	3,690
2016	<u>1,231</u>
	<u>\$ 12,301</u>

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 7: Operating Lease (continued)

On October 1, 2010, the City entered into a twenty two month operating lease agreement to rent its current office suite. The office lease provided for monthly rent of \$2,150 in addition to common area maintenance costs for the first ten months and \$2,215 thereafter. On July 1, 2011, the City Hall relocated and the lease was amended providing for monthly rent starting at \$5,080 per month in addition to common area maintenance costs for the first seventeen months, \$5,232 for months 18-28, and \$5,385 for months 29-41. The City has the option to renew the lease upon termination at November 30, 2014. Rental costs including maintenance costs for the year ended June 30, 2012 were \$60,960.

Minimum future rental payments under the operating leases as of June 30, 2012 are as follows (amounts do not include common area maintenance costs):

Year	Office Lease
2013	\$ 62,377
2014	64,208
2015	26,924
	\$ 153,509

Note 8: Retirement Plan

Plan Description

During fiscal year 2011-2012, the City began contributing to the California Public Employees Retirements System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 9.126% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

City of Eastvale
Notes to Financial Statements
June 30, 2012

Note 8: Retirement Plan (continued)

Annual Pension Cost

For 2012, the City's annual pension cost of \$12,958 for PERS was equal to the City's required contributions. The required contribution was determined as part of the September 30, 2011 actuarial valuation using the entry age normal actuarial cost method.

THREE YEAR TREND INFORMATION FOR PERS		
Fiscal year	Required Contribution	Percentage Contributed
6/30/2010	N/A	N/A
6/30/2011	N/A	N/A
6/30/2012	\$12,958	100%

Note 9: Risk Management

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-one participating member agencies: twenty-two cities, three transit agencies and six special districts. The City participates in the liability, property, auto physical damage, and crime insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. The City has selected a \$0 self-insured retention for this coverage and participates in risk sharing pools for losses up to \$1 million, followed by PERMA's membership in the CSAC Excess Insurance Authority (EIA) for \$49 million of excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial "named peril" policy.

The auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is written on an agreed amount basis.

The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy.

The City is insured with the State Compensation Insurance Fund for workers' compensation claims. There is no deductible requirement for this coverage.

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 10: Fund Equity

The City has established certain fund balance designations to report the amounts in the following funds, which represent available spendable resources restricted, committed or assigned for a specific purpose:

	General Fund	Major Special Revenue Fund Gas Tax Fund	Non-Major Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 29,430	\$ -	\$ -	\$ 29,430
Restricted for:				
Public works	-	2,596,819	1,194,780	3,791,599
Community development	-	-	402,995	402,995
Unassigned	7,227,171	-	(3,521)	7,223,650
	<u>\$ 7,256,601</u>	<u>\$ 2,596,819</u>	<u>\$ 1,594,254</u>	<u>\$ 11,447,674</u>

The following fund has a deficit fund balance as of June 30, 2012:

Landscape Maintenance Fund	\$ (3,521)
----------------------------	------------

The deficit is as a result of start up costs which will be offset with future special assessment revenue.

Note 11: Joint Ventures

The Western Riverside County Regional Conservation Authority (Authority) was created in 2004 to protect 146 native species of plants and animals and preserving a half million acres of their habitat. Resolution 10-28, signed October 1, 2010, authorized the City Manager to pursue membership in the Riverside Conservation Authority, which would also fulfill one of the LAFCO's conditions of incorporation for the City. Resolution 10-48, signed December 8, 2010, authorized the Mayor to sign the Joint Powers Agreement with the Riverside Conservation Authority and the agreement with the U.S. Fish and Wildlife Service and California Department of Fish and Game relating to the implementation of the Western Riverside County Multiple Species Habitat Conservation Plan.

There will also be some additional (and unquantifiable) expenses associated with the City's interaction with the Authority. However, these additional expenses are expected to be relatively minor. There will be staff costs associated with locally implementing the program, which will be borne by the general fund for City projects and for the periodic reports to the Authority, and by landowners and developers through the City's full cost recovery program for private development applications. Copies of the Authority's annual financial report may be obtained from the Western Riverside County Regional Conservation Authority Riverside Centre Building at 3403 10th Street, Suite 320, Riverside, CA 92501.

**City of Eastvale
Notes to Financial Statements
June 30, 2012**

Note 12: Prior-Period Adjustment

The government-wide net assets and the beginning fund balances for the General and Gas Tax Funds have been adjusted to correct the recognition of the loan payable from the County of Riverside (County) that was owed for transitional services. The County corrected the error and will reimburse the City's payment.

Government-wide financial statements:

Net assets, beginning of year	\$ 181,028,305
Prior period adjustment	<u>210,120</u>
Net assets, beginning of year, as restated	<u><u>\$ 181,238,425</u></u>

Governmental Fund financial Statements:

	<u>General</u>	<u>Special Revenue Fund Gas Tax</u>
Fund balances, beginning of year	\$ 3,958,155	\$ 1,261,187
Prior period adjustment	<u>115,294</u>	<u>(115,294)</u>
Fund balances, end of year	<u><u>\$ 4,073,449</u></u>	<u><u>\$ 1,145,893</u></u>

Note 13: Subsequent Event

On October 1, 2012, the City amended its lease with Eastvale Gateway III, LLC, to expand the premises of the leased property described in note 5. The amendment resulted in an additional \$1,000 rent expense per month.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Eastvale
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,628,296	\$ 7,628,296	\$ 10,161,136	\$ 2,532,840
Licenses and permits	779,098	779,098	2,251,039	1,471,941
Fines and forfeitures	125,000	125,000	205,274	80,274
Intergovernmental	3,442,802	3,442,802	37,611	(3,405,191)
Investment earnings	40,000	40,000	9,452	(30,548)
Other	-	-	12,620	12,620
Total revenues	<u>12,015,196</u>	<u>12,015,196</u>	<u>12,677,132</u>	<u>661,936</u>
EXPENDITURES				
Current:				
General government	1,865,852	1,865,852	1,351,090	514,762
Public safety	6,775,500	6,775,500	5,985,056	790,444
Public works	146,500	146,500	48,477	98,023
Community development	1,555,640	1,555,640	1,991,526	(435,886)
Capital outlay	233,220	233,220	117,831	115,389
Debt service:				
Principal	63,896	63,896	-	63,896
Interest	10,177	10,177	-	10,177
Total expenditures	<u>10,650,785</u>	<u>10,650,785</u>	<u>9,493,980</u>	<u>1,156,805</u>
Excess of revenues over expenditures	<u>1,364,411</u>	<u>1,364,411</u>	<u>3,183,152</u>	<u>1,818,741</u>
OTHER FINANCING SOURCES				
Transfers in	81,793	81,793	-	(81,793)
Total other financing sources	<u>81,793</u>	<u>81,793</u>	<u>-</u>	<u>(81,793)</u>
Net change in fund balance	1,446,204	1,446,204	3,183,152	1,736,948
Fund balance, beginning of year, as restated	<u>4,073,449</u>	<u>4,073,449</u>	<u>4,073,449</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,519,653</u>	<u>\$ 5,519,653</u>	<u>\$ 7,256,601</u>	<u>\$ 1,736,948</u>

City of Eastvale
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance --
Budget and Actual
Gas Tax Fund
For the year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,885,670	\$ 1,885,670	\$ 2,061,032	\$ 175,362
Investment earnings	34,410	34,410	2,785	(31,625)
Total revenues	<u>1,920,080</u>	<u>1,920,080</u>	<u>2,063,817</u>	<u>143,737</u>
EXPENDITURES				
Current:				
Public works	2,254,000	2,254,000	556,191	1,697,809
Capital outlay	-	-	56,700	(56,700)
Total expenditures	<u>2,254,000</u>	<u>2,254,000</u>	<u>612,891</u>	<u>1,641,109</u>
Excess of revenues over expenditures	<u>(333,920)</u>	<u>(333,920)</u>	<u>1,450,926</u>	<u>1,784,846</u>
OTHER FINANCING SOURCES				
Transfers out	(81,793)	(81,793)	-	81,793
Total other financing sources	<u>(81,793)</u>	<u>(81,793)</u>	<u>-</u>	<u>81,793</u>
Net change in fund balance	(415,713)	(415,713)	1,450,926	1,866,639
Fund balance, beginning of year, as restated	<u>1,145,893</u>	<u>1,145,893</u>	<u>1,145,893</u>	<u>-</u>
Fund balance, end of year	<u>\$ 730,180</u>	<u>\$ 730,180</u>	<u>\$ 2,596,819</u>	<u>\$ 1,866,639</u>

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Measure A - This fund is used to account for the construction, reconstruction, alteration, and maintenance of the streets and roads of the City.

AQMD Trust Fund – This fund is used to account for the City's portion of motor vehicle registration fees collected pursuant to AB2766 passed during the 1990 State legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks, and buses. It also included funds allocated through a competitive process as a result of this legislation.

Supplemental Law Enforcement Services Fund – This fund is used to account for the receipts and expenditures of funds resulting from the Citizen's Option for Public Safety (COPS) program, a state funded program.

Miscellaneous Grants Fund – This fund is used to account for the receipts and expenditures of miscellaneous grants not accounted for in a separate fund.

Law Enforcement Grants Fund– This fund is used to account for grant funds used for frontline law enforcement services.

Landscape Maintenance Fund – This fund is used to account for the costs of operation, maintenance, landscaping, and lighting district in 89-1 consolidated. Funding is provided by assessments specific to parcels in the district 89-1 consolidated.

Development Impact Fees Fund – This fund is used to account for the receipt of fees for development related activities such as infrastructure and public facilities.

**City of Eastvale
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

	Special Revenue Funds		
	Measure A	AQMD Trust	Supplemental Law Enforcement Services
ASSETS			
Cash and investments	\$ 1,004,930	\$ 51,222	\$ -
Receivables:			
Intergovernmental	116,277	16,744	25,000
Total Assets	\$ 1,121,207	\$ 67,966	\$ 25,000
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 8,840	\$ -	\$ -
Due to other funds	-	-	25,000
Total Liabilities	8,840	-	25,000
Fund Balances:			
Restricted for:			
Public works	1,112,367	67,966	-
Community development	-	-	-
Unassigned	-	-	-
Total fund balances	1,112,367	67,966	-
Total liabilities and fund balances	\$ 1,121,207	\$ 67,966	\$ 25,000

Special Revenue Funds

<u>Miscellaneous Grants</u>	<u>Law Enforcement Grants</u>	<u>Landscape Maintenance</u>	<u>Development Impact Fees</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 14,480	\$ -	\$ -	\$ 402,995	\$ 1,473,627
<u>-</u>	<u>10,872</u>	<u>-</u>	<u>-</u>	<u>168,893</u>
<u>\$ 14,480</u>	<u>\$ 10,872</u>	<u>\$ -</u>	<u>\$ 402,995</u>	<u>\$ 1,642,520</u>
\$ 33	\$ -	\$ -	\$ -	\$ 8,873
<u>-</u>	<u>10,872</u>	<u>3,521</u>	<u>-</u>	<u>39,393</u>
<u>33</u>	<u>10,872</u>	<u>3,521</u>	<u>-</u>	<u>48,266</u>
14,447	-	-	-	1,194,780
-	-	-	402,995	402,995
<u>-</u>	<u>-</u>	<u>(3,521)</u>	<u>-</u>	<u>(3,521)</u>
<u>14,447</u>	<u>-</u>	<u>(3,521)</u>	<u>402,995</u>	<u>1,594,254</u>
<u>\$ 14,480</u>	<u>\$ 10,872</u>	<u>\$ -</u>	<u>\$ 402,995</u>	<u>\$ 1,642,520</u>

City of Eastvale
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2012

	Special Revenue Funds		
	Measure A	AQMD Trust	Supplemental Law Enforcement Services
REVENUES			
Intergovernmental	\$ 675,735	\$ 67,940	\$ 100,000
Development impact fees	-	-	-
Investment earnings	1,092	26	-
	676,827	67,966	100,000
EXPENDITURES			
General government	-	-	-
Public safety	-	-	100,000
Public works	63,507	-	-
	63,507	-	100,000
Net change in fund balances	613,320	67,966	-
Fund balances, beginning of year	499,047	-	-
Fund balances, end of year	\$ 1,112,367	\$ 67,966	\$ -

Special Revenue Funds

Miscellaneous Grants	Law Enforcement Grants	Landscape Maintenance	Development Impact Fees	Total Nonmajor Governmental Funds
\$ 14,847	\$ 17,031	\$ -	\$ -	\$ 875,553
-	-	-	102,214	102,214
3	-	-	1,328	2,449
<u>14,850</u>	<u>17,031</u>	<u>-</u>	<u>103,542</u>	<u>980,216</u>
403	-	-	-	403
-	17,031	-	-	117,031
-	-	3,521	38,790	105,818
<u>403</u>	<u>17,031</u>	<u>3,521</u>	<u>38,790</u>	<u>223,252</u>
14,447	-	(3,521)	64,752	756,964
-	-	-	338,243	837,290
<u>\$ 14,447</u>	<u>\$ -</u>	<u>\$ (3,521)</u>	<u>\$ 402,995</u>	<u>\$ 1,594,254</u>

City of Eastvale
Nonmajor Governmental Funds Comparison Schedules
For the year ended June 30, 2012

Budgetary comparison statements are presented as required supplementary information for the General Fund and all Major Special Revenue Funds as provided for by GASB Statement No. 34. The budgetary comparison schedules for the remaining funds are presented to aid in additional analysis and are not a required part of the basic financial statements. The City did not prepare budgets for AQMD Trust Fund, Miscellaneous Grants Fund, and the Landscape Maintenance Fund, so no budgetary comparisons are presented for these funds.

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Measure A Fund
For the year ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 579,000	\$ 579,000	\$ 675,735	\$ 96,735
Investment earnings	12,915	12,915	1,092	(11,823)
Total revenues	<u>591,915</u>	<u>591,915</u>	<u>676,827</u>	<u>84,912</u>
EXPENDITURES				
Current:				
Public works	<u>940,000</u>	<u>940,000</u>	<u>63,507</u>	<u>876,493</u>
Total expenditures	<u>940,000</u>	<u>940,000</u>	<u>63,507</u>	<u>876,493</u>
Excess of revenues over expenditures	<u>(348,085)</u>	<u>(348,085)</u>	<u>613,320</u>	<u>961,405</u>
OTHER FINANCING USES				
Transfers out	<u>(81,793)</u>	<u>(81,793)</u>	<u>-</u>	<u>81,793</u>
Total other financing sources	<u>(81,793)</u>	<u>(81,793)</u>	<u>-</u>	<u>81,793</u>
Net change in fund balance	(429,878)	(429,878)	613,320	1,043,198
Fund balance, beginning of year	<u>499,047</u>	<u>499,047</u>	<u>499,047</u>	<u>-</u>
Fund balance, end of year	<u>\$ 69,169</u>	<u>\$ 69,169</u>	<u>\$ 1,112,367</u>	<u>\$ 1,043,198</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Supplemental Law Enforcement Services Fund
For the year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 100,000	\$ 100,000	\$ -
Total revenues	-	100,000	100,000	-
EXPENDITURES				
Current:				
Public safety	-	100,000	100,000	-
Total expenditures	-	100,000	100,000	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Law Enforcement Grants Fund
For the year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 21,448	\$ 17,031	\$ (4,417)
Total revenues	-	21,448	17,031	(4,417)
EXPENDITURES				
Current:				
Public safety	-	21,448	17,031	4,417
Total expenditures	-	21,448	17,031	4,417
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Development Impact Fees Fund
For the year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Development impact fees	\$ -	\$ -	\$ 102,214	\$ 102,214
Investment earnings	1,234	1,234	1,328	94
Total revenues	<u>1,234</u>	<u>1,234</u>	<u>103,542</u>	<u>102,308</u>
EXPENDITURES				
Current:				
Community development	-	-	38,790	(38,790)
Total expenditures	<u>-</u>	<u>-</u>	<u>38,790</u>	<u>(38,790)</u>
Net change in fund balance	1,234	1,234	64,752	63,518
Fund balance, beginning of year	<u>338,243</u>	<u>338,243</u>	<u>338,243</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 339,477</u></u>	<u><u>\$ 339,477</u></u>	<u><u>\$ 402,995</u></u>	<u><u>\$ 63,518</u></u>

AGENCY FUND

Agency Fund - To account for developer deposits received for various planning projects.

City of Eastvale
Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2012

Agency Fund	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
ASSETS				
Cash and investments	\$ 1,074,736	\$ 6,546,175	\$ 5,152,573	\$ 2,468,338
Total assets	<u>\$ 1,074,736</u>	<u>\$ 6,546,175</u>	<u>\$ 5,152,573</u>	<u>\$ 2,468,338</u>
LIABILITIES				
Accounts payable	\$ -	\$ 135,821	\$ -	\$ 135,821
Deposits	<u>1,074,736</u>	<u>6,410,354</u>	<u>5,152,573</u>	<u>2,332,517</u>
Total liabilities	<u>\$ 1,074,736</u>	<u>\$ 6,546,175</u>	<u>\$ 5,152,573</u>	<u>\$ 2,468,338</u>

STATISTICAL SECTION

This part of the City of Eastvale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the city's financial performance and position have changed over time.	52
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	56
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. The City maintains no outstanding debt and does not have any pledged revenues to report.	60
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other government agencies.	65
<u>Operating Information</u> - These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	67

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City incorporated on October 1, 2010 with a nine month fiscal year ending June 30, 2011 and does not have any historical data beyond that year.

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City of Eastvale
Net Assets by Component
Last Two Fiscal Years
(accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year	
	2011	2012
Governmental activities		
Invested in capital assets net of related debt	\$ 175,187	\$ 179,845
Restricted	2,098	4,306
Unrestricted	3,743	5,316
Total governmental activities net assets	<u>\$ 181,028</u>	<u>\$ 189,467</u>

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Changes in Net Assets
Last Two Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year	
	2011	2012
Expenses		
Governmental activities:		
General government	\$ 903	\$ 1,391
Public safety	4,459	6,107
Public works	3,928	5,629
Community development	1,022	1,991
Revenue Neutrality	-	1,804
Total governmental activities expenses	<u>10,312</u>	<u>16,922</u>
Total primary government expenses	\$ 10,312	\$ 16,922
Program Revenues		
Governmental activities:		
Charges for services		
General government	-	74
Public safety	22	221
Community development	893	2,174
Operating contributions and grants	1,899	2,940
Capital contributions and grants	179,045	9,533
Total primary government program revenues	<u>181,859</u>	<u>14,942</u>
Total primary government program revenues	<u>\$ 181,859</u>	<u>\$ 14,942</u>
Total primary government net expense	<u>\$ 171,547</u>	<u>\$ (1,980)</u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Taxes		
Property tax	\$ 3,871	\$ 4,620
Franchise tax	594	1,346
Sales tax	1,487	3,885
Motor Vehicle in Lieu tax	3,235	38
Other taxes	290	310
Investment income	4	9
Other	-	1
Total governmental activities	<u>9,481</u>	<u>10,209</u>
Total primary government	<u>\$ 9,481</u>	<u>\$ 10,209</u>
Total Change in Net Assets	<u>\$ 181,028</u>	<u>\$ 8,229</u>

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Fund Balances of Governmental Funds
Last Two Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year	
	2011	2012
General fund		
Nonspendable	\$ 26	\$ 30
Restricted	-	-
Unassigned	3,932	7,227
Total general fund	<u>3,958</u>	<u>7,257</u>
All other governmental funds		
Nonspendable	-	-
Restricted	2,099	4,195
Unassigned	-	(4)
Total all other governmental funds	<u>2,099</u>	<u>4,191</u>
Total fund balances of governmental funds	<u>\$ 6,057</u>	<u>\$ 11,448</u>

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Changes in Fund Balances of Governmental Funds
Last Two Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year	
	2011	2012
Revenues		
Taxes		
Property tax	\$ 3,871	\$ 4,620
Franchise tax	594	1,346
Sales tax	1,487	3,885
Other taxes	290	310
Licenses and permits	893	2,251
Fines and forfeitures	22	205
Intergovernmental	5,132	2,974
Special use fees	338	102
Investment income	6	15
Other	-	13
Total revenues	<u>12,633</u>	<u>15,721</u>
Expenditures		
Current:		
General government	955	1,351
Public safety	4,481	6,102
Public works	328	710
Community Development	1,022	1,992
Debt service		
Interest	-	-
Capital outlay	-	175
Total expenditures	<u>6,786</u>	<u>10,330</u>
Excess of revenues over expenditures	5,847	5,391
Other financing sources		
Proceeds of long-term debt	210	-
Total other financing sources	<u>210</u>	<u>-</u>
Net change in fund balance	<u>\$ 6,057</u>	<u>\$ 5,391</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available

Source: City of Eastvale Finance Department

City of Eastvale
Assessed Value and Estimated Actual Value of Taxable Property
Last Fiscal Year
(amounts expressed in thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Total Assessed Valuation	Less Tax Exempt Property	Total Taxable Assessed Value	Direct Tax Rate (City)
2012	\$ 5,084,826	\$ 207,045	\$ 418,137	\$ 317,720	\$ 6,027,728	\$ (18,826)	\$ 6,008,902	0.0248

Note: Fiscal Year 2011-12 is the first fiscal year since the incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that taxes on unsecured property are to be taxed at tax rates fixed prior to the lien date (prior year). No unsecured value is included in the report above for the 2011-12 roll year as the County received taxes on the unsecured value in that year. Estimated Actual Value amounts are not available.

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone

City of Eastvale
Direct and Overlapping Property Tax Rates
Last Fiscal Year
(rate per \$100 of assessed value)

City Direct Rates					
Fiscal Year	Basic County, City, and School Levy	Community College District	Water District	School District	Total
2012	1.00000	0.01700	0.00370	0.11541	1.13611

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone

**City of Eastvale
Principal Property Tax Payers
June 30, 2012**

Taxpayer	2012	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
AMB Institutional Alliance Fund	\$ 81,045,851	1.35%
LBA Riv Company IV	71,860,000	1.20%
Eastvale Gateway II	52,226,362	0.87%
Homecoming III at Eastvale	52,048,559	0.87%
SC Eastvale Development Company	49,594,287	0.83%
Homecoming II at Eastvale	43,375,919	0.72%
Prologis California I	41,282,996	0.69%
Hamner Park Associates	33,769,695	0.56%
J W Mitchell Company	31,541,228	0.52%
WW Grainer Inc.	28,849,600	0.48%
Total	\$ 485,594,497	8.08%

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: HdL, Coren & Cone

**City of Eastvale
Property Tax Levies and Collections
Last Fiscal Year**

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 4,902,083	\$ 4,619,832	94.24%	-	\$ 4,619,832	94.24%

Note: Fiscal Year 2011-12 is the first full fiscal year since incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that taxes on unsecured property are to be taxed at rates fixed prior to the lien date (prior year). The City had no collections in prior fiscal year of which taxes were collected in subsequent years.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department, Riverside County Auditor-Controller's Office.

**City of Eastvale
Ratio of Outstanding Debt by Type
Last Fiscal Year**

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	County Revenue Neutrality (1)	Total Governmental Activities	% of Actual Assessed Value of Property (2)	Per Capita (3)
2012	\$ -	\$ -	\$ 1,803,845	\$ 1,803,845	0.030%	\$ 32.44

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) County Revenue Neutrality is not a bonded debt.
- (2) Assessed value used because actual value of taxable property is not readily available in State of California.
- (3) See the Schedule of Demographics and Economic Statistics for population data.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Ratio of General Bonded Debt
Last Fiscal Year**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Certificates of Participation</u>	<u>Total Governmental Activities</u>	<u>Percent of Assessed Value</u>	<u>Debt per Capita</u>
2012	-	-	-	-	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Direct and Overlapping Bonded Debt
June 30, 2012

2011-12 Assessed Valuation	\$ 6,027,768,985
Redevelopment Incremental Valuation	664,251,724
Adjusted Assessed Valuation	<u>\$ 5,341,943,795</u>

	Outstanding Debt June 30, 2012	Percent Applicable (1)	Amount Applicable to City June 30, 2012
<u>Overlapping Tax and Assessment Debt</u>			
Metropolitan Water District	\$ 196,545,000	0.295%	\$ 579,808
Riverside Community College District	230,858,371	9.225%	21,296,685
Corona-Norco Unified School District	274,072,570	23.201%	63,587,577
Jurupa Community Services District	51,252,972	7.037%	3,606,672
Corona-Norco Unified School District Community Facilities District (2)	14,560,000	100.000%	14,560,000
Jurupa Community Services District Community Facilities District (3)	284,035,000	100% - 20.531%	<u>265,498,856</u>
Total Overlapping Tax and Assessment Debt			<u>\$ 369,129,598</u>

<u>Direct and Overlapping General Fund Debt</u>			
Riverside County General Fund Obligations	655,042,180	3.683%	24,125,203
Riverside County Pension Obligations	357,540,000	3.683%	13,168,198
Riverside County Board of Education Certificates of Participation	5,055,000	3.683%	186,176
Corona-Norco Unified School District General Fund Obligations	30,035,000	23.201%	6,968,420
Jurupa Unified School District Certificates of Participation	7,220,000	7.037%	508,071
City of Eastvale Certificates of Participation	0	100	0
Total Gross Direct and Overlapping General Fund Debt			<u>44,956,068</u>
Less: Riverside County supported obligations			<u>456,541</u>
Total Net Direct and Overlapping General Fund Debt			<u>\$ 44,499,527</u>
Total Direct Debt			\$0
Gross Combined Total Debt (4)			\$ 414,085,666
Net Combined Total Debt			\$ 413,629,125

Ratios to 2011-12 Assessed Valuation

Direct Debt	0%
Total Overlapping Tax and Assessment Debt	6.124%

Ratios to 2011-12 Adjusted Assessed Valuation

Gross Combined Total Debt (4)	7.752%	\$ 414,085,666
Net Combined Total Debt	7.743%	\$ 413,629,125

State School Building Aid Repayable as of 6/12/12: \$ -

Notes:

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

(2) It is estimated that CFDs 98-1, 02-1, 03-1, 03-2, 03-4, 04-1, 04-2 I.A.2, and 06-1 are entirely within the City's boundaries.

(3) CFDs 2, 3, 4, 5, 6, 7, 10, 11, 12, 14, 15, 16, 17, 18, 19, 21, 23, 24, 25, 29, 30, 32, 34, 35, 38 and 39 are entirely within the City's boundaries. It is estimated that 20.531% of CFD 1 is located within the City's boundaries.

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Eastvale
Legal Debt Margin Information
Last Fiscal Year
(amount expressed in thousands)

Fiscal Year	Assessed Valuation	Legal Debt Limit (15% of Assessed Value)	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of the Debt Limit
2012	\$ 6,027,728	\$ 904,159	\$ -	\$ 904,159	0.0%

Note: Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City. The City has no general obligation bonded debt.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Pledged Revenue Coverage
Last Fiscal Year**

Fiscal Year	Lease Revenue Bonds				
	Revenue	Less Operating Expenses	Net Available Revenue	Principal	Interest
2012	The City has no direct outstanding bonded debt				

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Demographic and Economic Status
Last Fiscal Year**

<u>Calendar Year</u>	(1) <u>Population</u>	(2) <u>Personal Income In Thousands</u>	<u>Per Capita Personal Income</u>	(3) <u>Median Age</u>	(4) <u>Unemployment Rate</u>
2012	55,602	\$ 1,514,209	\$ 27,233	30	(4)

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Sources: (1) Population - California Department of Finance
 (2) Personal Income - California Franchise Tax Board, adjusted gross income for zip code 90201
 (3) Median Age - U.S. Census Bureau State of California
 (4) Unemployment Rate - Information not available

**City of Eastvale
Employment By Industry
Current Year**

Industry	2012	
	Labor Force	Percent of Total
Farm	13,700	2.44%
Goods Producing	72,500	12.93%
Trade, Transportation and Utilities	124,600	22.22%
Information	9,700	1.73%
Financial Activities	18,100	3.23%
Professional and Business Services	54,700	9.76%
Education and Health Services	62,900	11.22%
Leisure and Hospitality	72,800	12.98%
Other Services	19,100	3.41%
Government	112,600	20.08%
Total	560,700	100.00%

Note: Information on the largest employers for the City of Eastvale is not available. Presented above is the annual average of Industry Employment & Labor Force for Riverside County as of December 2011.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: State of California Employment Development Department

**City of Eastvale
Full-time City Employees
by Function
Last Two Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Services</u>	<u>Total</u>
2011	4				4
2012	6				6

Notes: The City of Eastvale contracts services for Public Works, Planning, Building & Safety, Police and Fire. Parks and Recreation is provided by the Jurupa Community Services District.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Operating Indicators
by Function
Last Two Fiscal Years**

	Fiscal Year	
	2011	2012
Finance		
Business license applications	(1)	817
Building and Safety		
Construction valuation	\$ 71,690,823	\$ 133,358,335
Building permits issued	968	1,509
Public Safety		
Total arrests	512	648
Calls for service	1311	22,154

Notes:

(1) Fiscal year 2011-12 is the first fiscal year the City provided the business license program. No business licenses were issued by the City during fiscal year 2010-11.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale, Various Departments

**City of Eastvale
Capital Asset Statistics
by Function
Last Two Fiscal Years**

	Fiscal Year	
	2011	2012
Public Works		
Streets (miles)	1,162	1,178
Traffic signaled Intersections	40	41
Bridges	1	1

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale, Various Departments



City of Eastvale
City Council Meeting Agenda
Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: CAROL JACOBS, CITY MANAGER

**SUBJECT: AMENDMENT TO THE JOINT POWERS AGREEMENT
BETWEEN THE CITY OF EASTVALE AND THE PUBLIC
ENTITY RISKMANAGEMENT AUTHORITY (PERMA)**

**RECOMMENDATION: APPROVE THE AMENDMENT TO THE JOINT POWERS
AGREEMENT WITH PERMA**

BACKGROUND:

The Public Entity Risk Management Authority (PERMA) was created in 1985 for the purpose of jointly funding programs of insurance. PERMA is a statewide agency consisting of thirty members. PERMA is not driven by profit - our rates are driven only by the membership's experience and exposure. PERMA has developed public entity risk retention pools for general liability and workers' compensation coverage. PERMA also offers coverage options in property, special events, fidelity, employment practices liability, personal lines of insurance, and employee benefits.

The City has been a member of PERMA since 2010.

DISCUSSION:

Scott Morgan, Director of Administrative Services for the City of Rancho Mirage, has been the PERMA Treasurer and Auditor for 16+ years. Mr. Morgan announced his retirement from the City effective the end of this calendar year.

On October 1, 2012, the general manager distributed an email to the membership seeking volunteers for the Executive Committee, Treasurer, and Auditor positions. No one responded to the positions of Treasurer and Auditor - concluding that either there are no interested members for the Treasurer and Auditor positions, or no interested members are qualified.

Regarding the eligibility of the PERMA Treasurer and Auditor, the PERMA Joint Powers Agreement incorporates the requirement of using a member's Treasurer and Auditor as the PERMA Treasurer and Auditor pursuant to Government Code section 6505.5.

In lieu of the designation of a Treasurer and Auditor as set forth in section 6505.5, an agency may appoint one of its officers or employees to either or both such positions under Government Code section 6505.6.

Government Code 6505.6. In lieu of the designation of a treasurer and auditor as set forth in Section 6505.5, the agency or entity may appoint one of its officers or employees to either or both of such positions. Such offices may be held by separate officers or employees or combined and held by one officer or employee. Such person or persons shall comply with the duties and responsibilities of the office or offices as set forth in subdivisions (a) to (d), inclusive, of Section 6505.5.

In the event the agency or entity designates its officers or employees to fill the functions of treasurer or auditor, or both, pursuant to this section, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505.

A revision of the Joint Powers Agreement is required to use Government Code section 6505.6, which would take an affirmative vote of two-thirds of the member organizations, acting through their councils or governing boards.

The pools the general manager is most familiar with all authorize the appointment of the Treasurer and Auditor per 6505.6, and in practice, most appoint a Board member with a finance background to these positions. Alternatively, an employee could be appointed under 6505.6.

If no Board member accepts appointment after the Joint Powers Agreement revision, the general manager could be appointed, so the organization can move forward.

Below are the recommended changes to Articles 10 and 12 of the Joint Powers Agreement to incorporate the addition of Government Code 6505.6. Highlighted in “**bold**” or stricken from the proposed amendment.

ARTICLE 10. OFFICERS

The Board of Directors, either directly or through the Executive Committee, shall annually elect from its membership a President, and Vice President of the Board at its regular annual meeting to service for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and chair the Executive Committee.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

The Board of Directors, either directly or through the Executive Committee, shall also annually elect or appoint a Treasurer and Auditor. Pursuant to Government Code sections 6505.5 and 6505.6, the Treasurer and Auditor shall be either the treasurer and auditor of a member organization of the Authority or an officer or employee of the Authority. Such

offices may be held by separate officers or employees or combined and held by one officer or employee. If the Authority designates its officers or employees as Treasurer or Auditor, or both, such officers or employees shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505.

(1) Treasurer. The duties of the Treasurer are set forth in Articles 15 and 16 of this Agreement.

(2) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer, and shall perform the annual audit functions required under Article 15.

Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.

ARTICLE 12. STAFF

Principal Staff

~~(a)~~ The following staff members shall be established:

(1) General Manager/Secretary. The General Manager/ Secretary shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority; and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) Other Staff. The General Manager/Secretary may provide for such other staff as may be necessary for the administration of the Authority, subject to Board approval.

~~b. Pursuant to Government Code section 6505.5, the Treasurer and Auditor shall be the treasurer and auditor of a member organization of the Authority.~~

a. Treasurer. The duties of the Treasurer are set forth in Articles 14 and 15 of this Agreement.

b. Auditor. The Auditor shall draw warrants to pay demands against the Authority ~~when approved by the Treasurer, and shall perform the annual audit functions required under Article 14.~~

3. Charges for Treasurer and Auditor Services. Pursuant to Government Code section 6505.5, ~~the charges to the Authority for the services of the Treasurer and Auditor shall be determined by the governing Board of the member organization from which such staff members are appointed.~~

FISCAL IMPACT:

There is no fiscal impact associated with this action.

ATTACHMENTS:

1. None

Prepared by: Carol Jacobs, City Manager

Reviewed by: John Cavanaugh, City Attorney



City of Eastvale
City Council Meeting Agenda
Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: CAROL JACOBS, CITY MANAGER

**SUBJECT: APPLICATION TO THE DEPARTMENT OF JUSTICE TO
PERFORM BACKGROUND CHECKS**

**RECOMMENDATION: APPROVE RESOLUTION 13-01, A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, AUTHORIZING
PARTICIPATION IN THE DEPARTMENT OF JUSTICE BACKGROUND CHECK
PROGRAM**

BACKGROUND:

The City of Eastvale currently does not have mechanism for verifying background information on current employees, volunteers or contractors. In order to ensure that the individuals the City is employing do not have criminal backgrounds and could pose a danger to the public, a background check is a prudent step in the hiring process.

DISCUSSION:

The California Department of Justice will provide State and Federal background checks for all individuals seeking employment either on a full-time, part-time, volunteer or contract basis. The City Manager will be responsible for implementing and managing the program and coordinating the background checks for prospective employees.

The program will provide background checks at both the State and Federal level. In addition, if a current employee should have a run in with the law that would impact their employment with the City, the City will be notified and appropriate action can be taken.

FISCAL IMPACT:

Background check costs will vary based on the level required. It is recommended that all employees go through both the State and Federal background check. The cost is \$108 per employee and \$74 for volunteers.

ATTACHMENTS:

1. Resolution 13-01

Prepared by: Carol Jacobs, City Manager

Reviewed by: John, Cavanaugh, City Attorney

RESOLUTION 13-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA,
AUTHORIZING PARTICIPATION IN THE DEPARTMENT OF JUSTICE BACKGROUND
CHECK PROGRAM

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities, counties, districts and joint powers authorities to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities, counties, districts and joint powers authorities to access federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require the city council, board of supervisors, governing body of a city, county or district or joint powers authority to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Eastvale is hereby authorized to access state and federal level summary criminal history information for employment (including volunteers and contract employees) purposes, and may not disseminate the information to a private entity.

PASSED, APPROVED AND ADOPTED this 9th day of January, 2013.

Ike Bootsma, Mayor

Attest:

Ariel Berry, Assistant City Clerk

Approved as to form:

John Cavanaugh, City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF EASTVALE)

I, Ariel Berry, ASSISTANT CITY CLERK OF THE CITY OF EASTVALE, DO HEREBY CERTIFY that the foregoing Resolution Number 13-01 was duly and regularly adopted by the City Council of the City of Eastvale at a REGULAR meeting held the 9th day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Assistant City Clerk, Ariel Berry



City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: GEORGE ALVAREZ, CITY ENGINEER

SUBJECT: ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACTS 30893 & 30933; CENTEX HOMES – PROJECT 11-0717

RECOMMENDATION: ADOPT RESOLUTION NO. 13-02, ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR PROJECT 11-0717 (TRACT 30893 & 30933) CENTEX HOMES; AND DIRECT STAFF TO FILE RESPECTIVE NOTICE OF COMPLETION.

BACKGROUND:

Centex Homes, the subdivider, has entered into a Subdivision Improvement Agreement with the County of Riverside (predecessor to the City of Eastvale) to complete the subdivision improvements for the subject referenced projects.

The City Public Works staff, in conjunction with the County Transportation Department staff, has completed the inspections of this project and is recommending that this project be accepted at this time. Upon acceptance, the project automatically enters into a one-year warranty period as required by the Subdivision Agreement.

DISCUSSION:

Upon acceptance, the County Transportation Department (holders of the bonds) will release the improvement securities related to this project in accordance with the subdivision Improvement Agreement as follows:

Security to be Released	Time of Release
Faithful Performance Security	After Council Acceptance
Payment Security	120 Days After Council Acceptance provided no claims have been filed.
Warranty Security	365 Days after Council Acceptance; provided that all warranty issues are satisfied.

Tract 30893 & 30933 is located in the southwest quadrant of Archibald Avenue and 65th Street intersection, east of the Cucamonga Creek and includes 94 residential units. The map for this subdivision and the placement of the initial securities occurred on May 2006.

FISCAL IMPACT:

The costs associated with the maintenance of the City's infrastructure will be paid from Gas Tax and Measure A Funds.

ATTACHMENTS:

1. Resolution 13-02 (Exhibit 1)
2. Tract Map 30893 & 30933; Centex Homes – Project 11-0717 Site Map (Exhibit 2)

Prepared by: Ruben Castaneda, Assistant City Engineer

Reviewed by: George Alvarez, City Engineer

Carol Jacobs, City Manager

John Cavanaugh, City Attorney

RESOLUTION NO. 13-02

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE,
CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS
FOR PROJECT 11-0717 (TRACT 30893 & 30933) CENTEX HOMES**

BE IT RESOLVED AND ORDERED that the City Council of the City of Eastvale hereby accepts the completed required subdivision improvements subject to the conditions of the Subdivision Improvement Agreements for the following project:

- **Tract 30893, Centex Homes - (Project 11-0717)**
- **Tract 30933, Centex Homes - (Project 11-0717)**

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Eastvale, hereby directs staff to file a Notice of Completion for each subdivision listed.

PASSED, APPROVED AND ADOPTED this 9th day of January, 2013.

Attest:

Ariel Berry, Assistant City Clerk

Ike Bootsma, Mayor

Approved as to form:

John E. Cavanaugh, City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF EASTVALE)

I, Ariel Berry, ASSISTANT CITY CLERK OF THE CITY OF EASTVALE, DO HEREBY CERTIFY that the foregoing Resolution Number 13-02 was duly and regularly adopted by the City Council of the City of Eastvale at a REGULAR meeting held the 9th day of January, 2013, by the following vote:

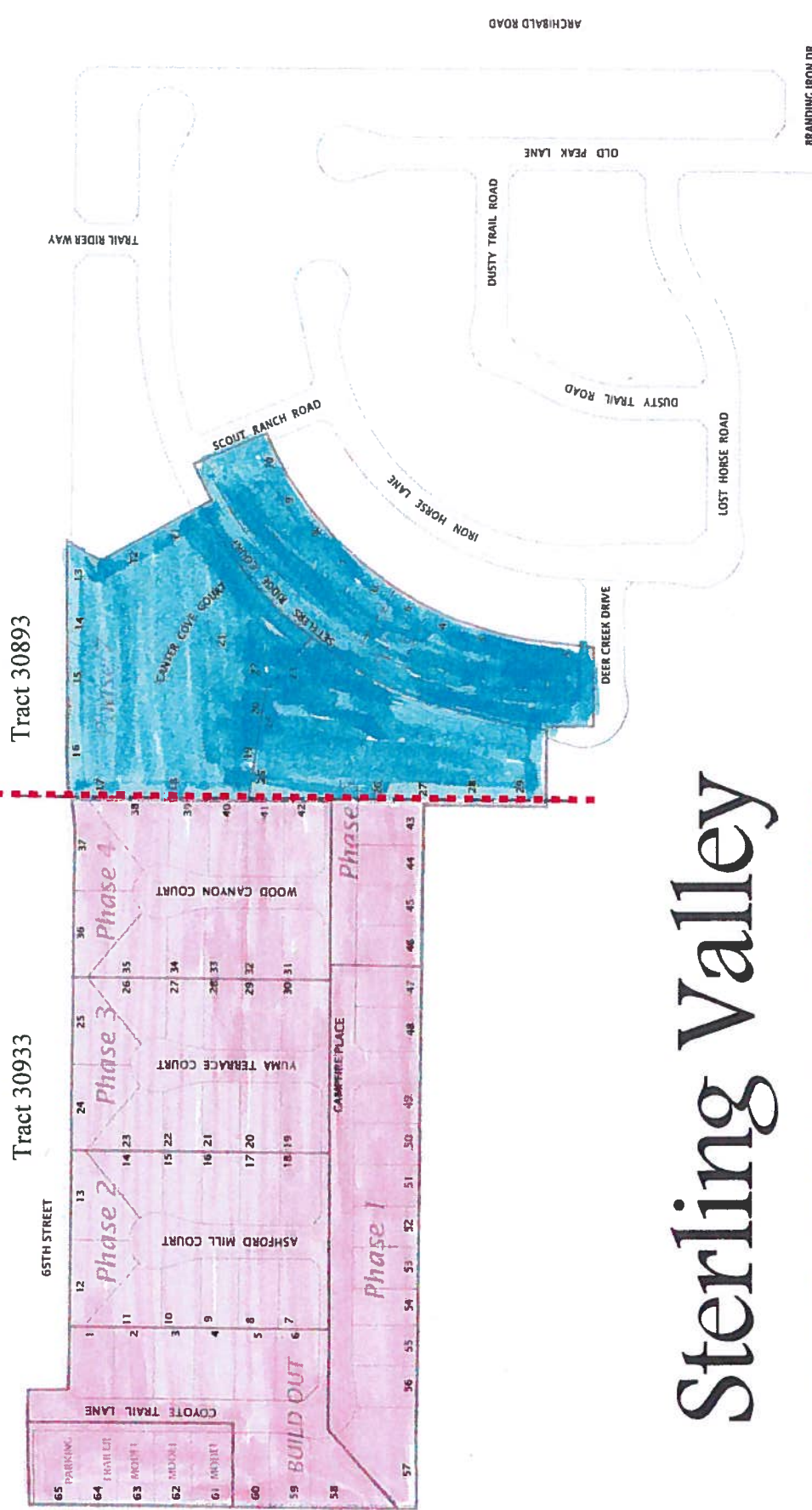
AYES:

NOES:

ABSENT:

ABSTAIN:

Assistant City Clerk, Ariel Berry



Sterling Valley

CENTEX HOMES
INLAND EMPIRE DIVISION

April 28, 2005





City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: GEORGE ALVAREZ, CITY ENGINEER

SUBJECT: ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACTS 31726, -1; CENTEX HOMES – PROJECT 12-0714

RECOMMENDATION: ADOPT RESOLUTION NO. 13-03, ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR PROJECT 12-0714 (TRACT 31726) CENTEX HOMES; AND DIRECT STAFF TO FILE RESPECTIVE NOTICE OF COMPLETION.

BACKGROUND:

Centex Homes, the subdivider, has entered into a Subdivision Improvement Agreement with the County of Riverside (predecessor to the City of Eastvale) to complete the subdivision improvements for the subject referenced projects.

The City Public Works staff, in conjunction with the County Transportation Department staff, has completed the inspections of this project and is recommending that this project be accepted at this time. Upon acceptance, the project automatically enters into a one-year warranty period as required by the Subdivision Agreement.

DISCUSSION:

Upon acceptance, the County Transportation Department (holders of the bonds) will release the improvement securities related to this project in accordance with the subdivision Improvement Agreement as follows:

Security to be Released	Time of Release
Faithful Performance Security	After Council Acceptance
Payment Security	120 Days After Council Acceptance provided no claims have been filed.
Warranty Security	365 Days after Council Acceptance; provided that all warranty issues are satisfied.

Tract 31726 & 31726-1 is located in the southeast quadrant of Archibald Avenue and 65th Street intersection and includes 187 residential units. The map for this subdivision and the placement of the initial securities occurred on September 2006.

FISCAL IMPACT:

The costs associated with the maintenance of the City's infrastructure will be paid from Gas Tax and Measure A Funds.

ATTACHMENTS:

1. Resolution 13-03 (Exhibit 1)
2. Tract Map 31726, -1; Centex Homes – Project 12-0714 Site Map (Exhibit 2)

Prepared by: Ruben Castaneda, Assistant City Engineer

Reviewed by: George Alvarez, City Engineer

Carol Jacobs, City Manager

John Cavanaugh, City Attorney

RESOLUTION NO. 13-03

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EASTVALE,
CALIFORNIA, ACCEPTING THE SUBDIVISION IMPROVEMENTS
FOR PROJECT 12-0714 (TRACT 31726) CENTEX HOMES**

BE IT RESOLVED AND ORDERED that the City Council of the City of Eastvale hereby accepts the completed required subdivision improvements subject to the conditions of the Subdivision Improvement Agreements for the following project:

- **Tract 31726, Centex Homes - (Project 12-0714)**
- **Tract 31726 - 1, Centex Homes - (Project 12-0714)**

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Eastvale, hereby directs staff to file a Notice of Completion for each subdivision listed.

PASSED, APPROVED AND ADOPTED this 9th day of January, 2013.

Attest:

Ariel Berry, Assistant City Clerk

Ike Bootsma, Mayor

Approved as to form:

John E. Cavanaugh, City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF EASTVALE)

I, Ariel Berry, ASSISTANT CITY CLERK OF THE CITY OF EASTVALE, DO HEREBY CERTIFY that the foregoing Resolution Number 13-03 was duly and regularly adopted by the City Council of the City of Eastvale at a REGULAR meeting held the 9th day of January, 2013, by the following called vote:

AYES:

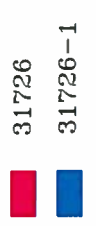
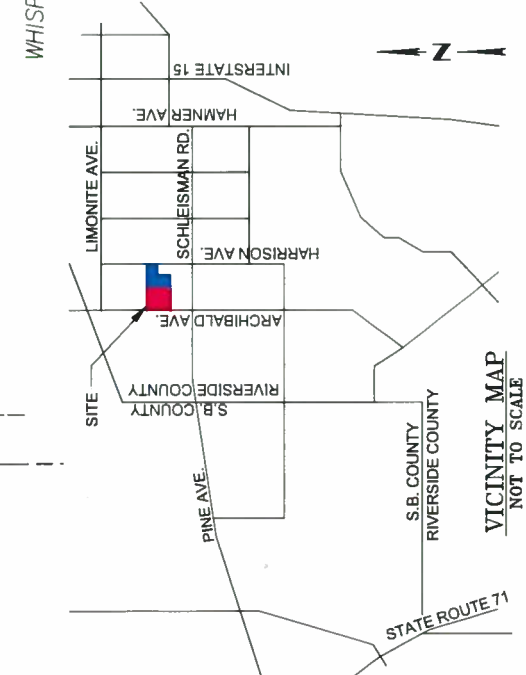
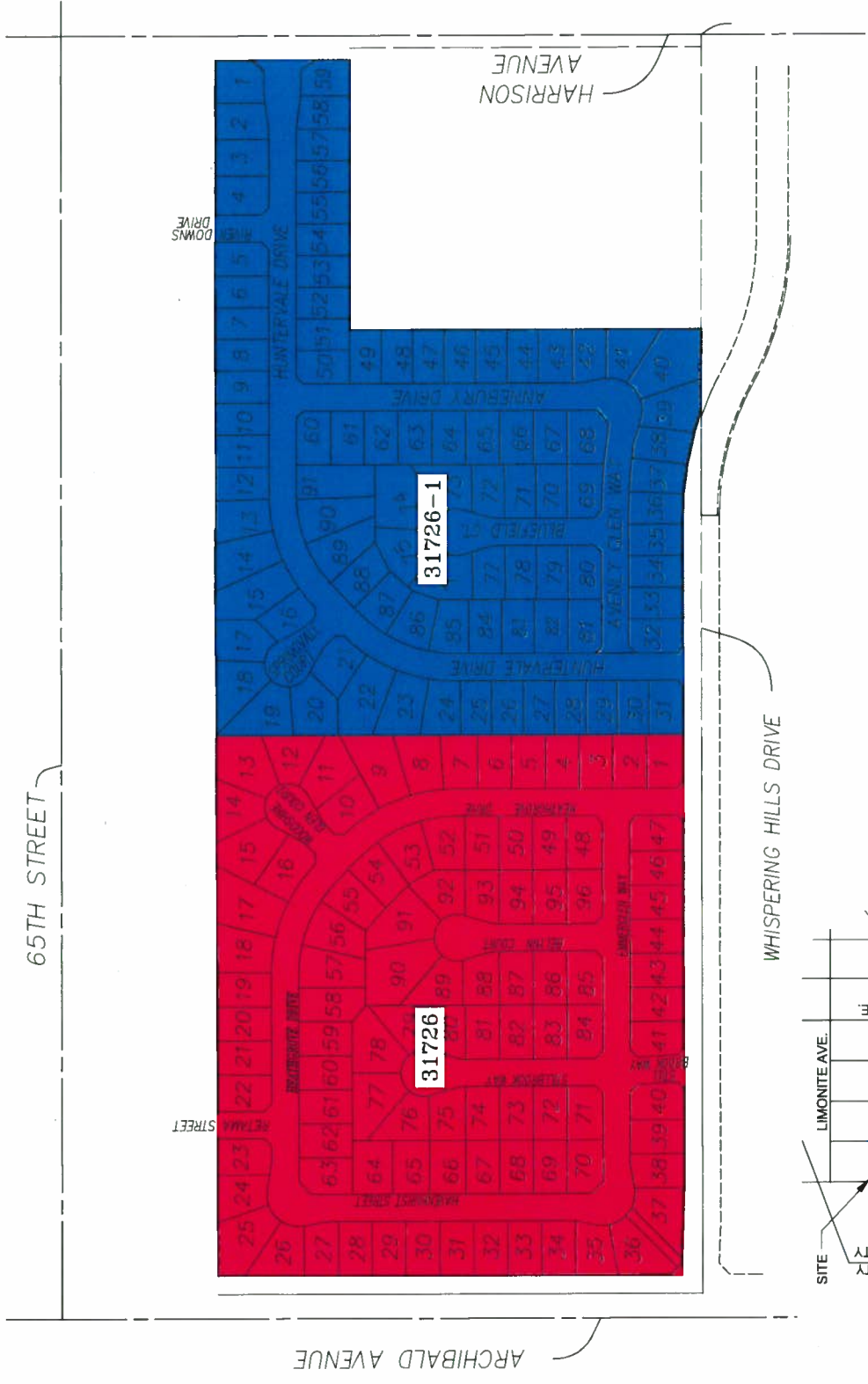
NOES:

ABSENT:

ABSTAIN:

Assistant City Clerk, Ariel Berry

TRACT NO. 31726





City of Eastvale
City Council Meeting Agenda
Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: CAROL JACOBS, CITY MANAGER

SUBJECT: EASTVALE COMMUNITY FOUNDATION BY-LAWS

RECOMMENDATION: AUTHORIZE CHANGE IN BY-LAWS OF THE EASTVALE COMMUNITY FOUNDATION

BACKGROUND:

The City Council established the Eastvale Community Foundation in 2011. The purpose of the Foundation was to assist the City with funding to promote and support the cultural, recreational and human services needs of the City of Eastvale. Exhibit A is the original by-laws as established by the City Council with the proposed changes noted.

DISCUSSION:

The Eastvale Community Foundation Board of Directors has requested the following changes.

- Change the number of members from not less than 5 and no more than 7 to 9 members.
- Elimination of terms for Board members.
- Change meeting from once a month to a minimum of once per month. This will allow the Board to meet for frequently if desired.
- Addition of the ability to have ad-hoc committees work on specific projects or events without the full Board present.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

ATTACHMENTS:

1. Red-line version of the changes to the By-Laws
2. Proposed By-laws of the Eastvale Community Foundation

Prepared by: Carol Jacobs, City Manager

**AMENDED AND RESTATED BYLAWS OF
EASTVALE COMMUNITY FOUNDATION, INC.**

A California Nonprofit Public Benefit Corporation

1. Name

The name of this corporation is Eastvale Community Foundation, Inc.

2. Principal Office of Corporation

The principal office for the transaction of the activities and affairs of this Corporation shall be located at such place within the City of Eastvale as the Board may from time to time designate by resolution. Any such change of location must be noted by the Secretary on these Bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

3. Purpose of Corporation

The public and charitable purposes for which this Corporation is organized are to lessen the burdens of government and to promote and support the cultural, recreational and human services needs of the City of Eastvale.

4. Directors

- A. This Corporation shall ~~have at least~~consist of no less than 5 and not more than ~~7-9~~ Directors. Directors will be chosen by the current City Council of the City of Eastvale but will receive a recommendation by the current Board of Directors.
- B. ~~The Directors shall be appointed to two year terms by the City Council of the City of Eastvale, who shall also have the power to fill vacancies and to remove Directors. Each term shall coincide with the City's regular general election date. If a vacancy occurs otherwise than by expiration of a term, it shall be filled by appointment for the unexpired portion of the term by the City Council. All Directors serve at the will and pleasure of the City Council. No term limits will be placed on the Board of Directors, as long as each Board Member is in good standing and an active participant with Foundation activities, meetings and events.~~
- C. The qualifications of the Directors shall be as follows:
- (1) Directors must be top quality people with reputations and characters that are beyond question.

- (2) Directors need to have an interest in and relevance to the community and broad cultural and recreational interests.
- (3) Directors should have a good understanding of business and how it operates.
- (4) Directors, even though busy, must have the time and be willing to use it as needed to support the work of the Foundation.
- (5) Directors must exhibit a high interest in services on the Board and the goals of such service.
- (6) The Board of Directors should have a balance of interests, experience and skills.
- (7) Directors should have knowledge general business operations and it is desirable to have knowledge of major corporations and their operations. Personal contacts with corporate representatives at key locations in the operation would be desirable.
- (8) Directors should have fundraising capabilities, participate in all Foundation fundraising events and are committed to raise a minimum of \$5,000 a year for the General Fund for the administration of the Foundation.
- (9) Directors are expected to attend monthly Board meetings and the yearly organizational meeting.
- (10) Directors must be either residents of the City of Eastvale, or, conduct business within the City of Eastvale.

Therefore, the Directors are people who bring something to the Foundation, who have the ability to see the big picture and make the decisions necessary to move the Foundation forward.

- D. A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) action by the City Council of the City of Eastvale removing the director from office.
- E. Resignation: Any Director may resign by giving written notice to the Chairman of the Board, if any, or to the Executive Director or the

Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

5. Members

The Corporation shall have no Members other than the Board of Directors.

6. Board of Directors

- A. The Board of Directors shall meet a minimum of once a month at a time and place within the City of Eastvale, ~~as established by resolution of the Board which resolution may be amended by majority vote of the Board.~~
- B. A majority of Directors shall constitute a quorum to conduct business. The majority of the quorum may take action. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.
- C. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws regarding actions that require approval of the members, this Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.
- D. The Board shall appoint all officers; for example the Executive Director, Secretary and Chief Financial Officer. No person may simultaneously serve as Executive Director and Chief Financial Officer. The Board may remove any officer with or without cause. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to

any rights of the Corporation under any contract to which the officer is a party.

- E. The Board of Directors shall establish procedures by Resolution in accordance with the Brown Act for the noticing and conduct of meetings. In any event, meetings of the Board shall be in accordance with the Brown Act.
- F. The Chairperson, if any, or the Executive Director, may call a special meeting of the Board at any time by written request, specifying the general nature of the business proposed to be transacted. Notice shall be promptly given in accordance with the Brown Act.
- G. This Corporation shall not compensate Directors, members of committees, officers or employees for their services, but may reimburse Directors, members of committees, officers or employees for their reasonable and necessary expenses incurred on behalf of the Corporation, in accordance with such rules and procedures as may be established by Resolution of the Board of Directors.
- H. The Board of Directors may establish temporary ad-hoc committees to work directly on specific projects or events. Any such temporary ad-hoc committee established shall have a minimum of one active Board Member. All decisions made by an ad-hoc committee are advisory only and shall require approval of the collective Board of Directors.

7. Restriction on Interested Persons Serving as Directors

No more than 49 percent of the persons serving on the Board may be "interested persons". An interested person is (a) any person compensated by this Corporation for services rendered to it within the previous 12 months, and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by this Corporation.

8. Responsibilities of Officers

- A. Executive Director: The Executive Director shall be the General Manager of this Corporation and shall supervise, direct, and control this Corporation's activities, affairs, and officers. The Executive Director shall preside at all Board meetings, committee meetings, or as required by the Board. The Executive Director shall have such other powers and duties as the Board or the Bylaws may require.

- B. Assistant Executive Director: If the Executive Director is absent or disabled, the Assistant Executive Director shall perform all duties of the Executive Director. When so acting, a Assistant Executive Director shall have all powers of and be subject to all restrictions on the Executive Director. The Assistant Executive Director shall have such other powers and perform such other duties as the Board or the Bylaws may require.
- C. Secretary: The Secretary shall keep or cause to be kept, at this Corporations' principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board, and of committees of the Board that the Brown Act requires to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.

- D. Chief Financial Officer: The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of this Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The Chief Financial Officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of this Corporation with such depositories as the Board may designate; (ii) disburse this Corporations' funds as the Board may order; (iii) render to the Executive Director, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of this Corporation; and (iv) have such other powers and perform such other duties as the Board or the Bylaws may require.

The Chief Financial Officer shall be the primary cosigner and contact for the Corporation's financial institution and all third party accounting and bookkeeping firms for monthly reporting and filing annual tax returns.

If required by the Board, the Chief Financial Officer shall give this Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to this Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

8. Contracts/Loans Involving Directors and Officers

- A. No Director of this Corporation nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation, unless (1) the material facts regarding that Director's financial interest in such contract or transaction or regarding such common Directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested Directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that this Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) this Corporation for its own benefit enters into the transaction, which is fair and reasonable to this Corporation at the time the transaction is entered into.

This subsection does not apply to a transaction that is part of a charitable program of this Corporation if (a) approved in good faith without favoritism, (b) results in a benefit to a Director or family because they are in a class of persons to be benefited by the charitable program of this corporation.

- B. This Corporation shall not lend any money or property to or guarantee the obligation of any Director or officer without the approval of the California Attorney General; provided, however, that this Corporation may advance money to a Director or officer of this Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by this Corporation.

9. Maintenance of Records

This Corporation shall maintain:

- A. Adequate books and records of account.
- B. Written minutes of Board meetings.

10. Right to Inspect

Every Director and member of the City Council of the City of Eastvale shall have the absolute right at any reasonable time to inspect this Corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

11. Annual Report

The Board shall cause an annual report to be sent to the Directors within (120) days after the end of this Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- A. The assets and liabilities, including the trust funds, of this Corporation as of the end of the fiscal year;
- B. The principal changes in assets and liabilities, including trust funds;
- C. This Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- D. This Corporation's expenses or disbursements for both general and restricted purposes;
- E. Any information required by these Bylaws; and
- F. An independent accountants' reports or, if none, the certificate of an authorized officer of this Corporation that such statements were prepared without audit from this Corporation's books and records.

This requirement of an annual report shall not apply if this Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to any Director who requests it in writing.

12. Execution of Instruments, Deposits, Checks

By Resolution the Board shall establish the authority of officers to execute instruments, receive deposits, to open bank accounts, and to sign checks for this Corporation.

13. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

14. Dedication of Assets

The property of this Corporation is irrevocably dedicated to public and charitable purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any Director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets (other than trust funds) remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the City of Eastvale, such corporation or corporations to be selected by the Board of Directors of this Corporation with approval of the City Council of the City of Eastvale. Such nonprofit corporation or corporations must be qualified for federal income tax exemption under Section 501(c) (3) of the Internal Revenue Code, and be organized and operate exclusively for charitable, scientific, literary or educational purposes, or for a combination of said purposes. In the alternative, upon dissolution of the corporation, the net assets, (other than trust funds), shall be distributed to the City of Eastvale to be used for public purposes.

15. Insurance

This Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer's, Director's, employee's or agent's status as such.

16. Amendment of Bylaws

A simple majority of the Board may amend the Bylaws at any meeting. However, no such amendment or modification shall alter the purpose of this Corporation as set forth in Section 6. or in the Articles of Incorporation and/or affect in any manner the tax exempt status of this Corporation and the donations to it deductible from taxable income to the extent allowed by the provisions of the Code and other applicable legislation and regulations as they now exist or as they may be amended in the future. Every amendment or modification of these Bylaws shall be in writing, shall be signed by a majority of the Board of Directors then serving and shall be delivered to each of the members of the Board then in office and shall be delivered in writing to the City Council of the City of Eastvale which shall require a vote of at least three (3) Council members for approval.

The term "majority," as used in this Section, is as defined in the California Nonprofit Corporation Law.

17. Maintenance of Records

The Secretary of the Corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws of the Corporation and is maintained with the official records of the Corporation at the principal office of the Corporation.

18. Certificate of Secretary

A Certificate of the Secretary of this Corporation shall be affixed to the original, or most recent amended version of the Bylaws, such Certificate to be in the following form.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Eastvale Community Foundation, a California Nonprofit Public Benefit Corporation, that the above bylaws, consisting of _____ pages, are the bylaws of this Corporation as adopted by the Board of Directors on _____, and that they have not been amended or modified since that date.

Executed _____ at Eastvale, California.

Secretary

**AMENDED AND RESTATED BYLAWS OF
EASTVALE COMMUNITY FOUNDATION, INC.**

A California Nonprofit Public Benefit Corporation

1. Name

The name of this corporation is Eastvale Community Foundation, Inc.

2. Principal Office of Corporation

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3. Purpose of Corporation

The public and charitable purposes for which this Corporation is organized are to lessen the burdens of government and to promote and support the cultural, recreational and human services needs of the City of Eastvale.

4. Directors

- A. This Corporation shall consist of no less than 5 and not more than 9 Directors. Directors will be chosen by the current City Council of the City of Eastvale but will receive a recommendation by the current Board of Directors.
- B. No term limits will be placed on the Board of Directors, as long as each Board Member is in good standing and an active participant with Foundation activities, meetings and events.
- C. The qualifications of the Directors shall be as follows:
 - (1) Directors must be top quality people with reputations and characters that are beyond question.
 - (2) Directors need to have an interest in and relevance to the community and broad cultural and recreational interests.
 - (3) Directors should have a good understanding of business and how it operates.

- (4) Directors, even though busy, must have the time and be willing to use it as needed to support the work of the Foundation.
- (5) Directors must exhibit a high interest in services on the Board and the goals of such service.
- (6) The Board of Directors should have a balance of interests, experience and skills.
- (7) Directors should have knowledge general business operations and it is desirable to have knowledge of major corporations and their operations. Personal contacts with corporate representatives at key locations in the operation would be desirable.
- (8) Directors should have fundraising capabilities, participate in all Foundation fundraising events and are committed to raise a minimum of \$5,000 a year for the General Fund for the administration of the Foundation.
- (9) Directors are expected to attend monthly Board meetings and the yearly organizational meeting.
- (10) Directors must be either residents of the City of Eastvale, or, conduct business within the City of Eastvale.

Therefore, the Directors are people who bring something to the Foundation, who have the ability to see the big picture and make the decisions necessary to move the Foundation forward.

- D. A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) action by the City Council of the City of Eastvale removing the director from office.
- E. Resignation: Any Director may resign by giving written notice to the Chairman of the Board, if any, or to the Executive Director or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

5. Members

The Corporation shall have no Members other than the Board of Directors.

6. Board of Directors

- A. The Board of Directors shall meet a minimum of once a month at a time and place within the City of Eastvale.
- B. A majority of Directors shall constitute a quorum to conduct business. The majority of the quorum may take action. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.
- C. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws regarding actions that require approval of the members, this Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.
- D. The Board shall appoint all officers; for example the Executive Director, Secretary and Chief Financial Officer. No person may simultaneously serve as Executive Director and Chief Financial Officer. The Board may remove any officer with or without cause. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.
- E. The Board of Directors shall establish procedures by Resolution in accordance with the Brown Act for the noticing and conduct of meetings.

In any event, meetings of the Board shall be in accordance with the Brown Act.

- F. The Chairperson, if any, or the Executive Director, may call a special meeting of the Board at any time by written request, specifying the general nature of the business proposed to be transacted. Notice shall be promptly given in accordance with the Brown Act.
- G. This Corporation shall not compensate Directors, members of committees, officers or employees for their services, but may reimburse Directors, members of committees, officers or employees for their reasonable and necessary expenses incurred on behalf of the Corporation, in accordance with such rules and procedures as may be established by Resolution of the Board of Directors.
- H. The Board of Directors may establish temporary ad-hoc committees to work directly on specific projects or events. Any such temporary ad-hoc committee established shall have a minimum of one active Board Member. All decisions made by an ad-hoc committee are advisory only and shall require approval of the collective Board of Directors.

7. Restriction on Interested Persons Serving as Directors

No more than 49 percent of the persons serving on the Board may be "interested persons". An interested person is (a) any person compensated by this Corporation for services rendered to it within the previous 12 months, and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by this Corporation.

8. Responsibilities of Officers

- A. Executive Director: The Executive Director shall be the General Manager of this Corporation and shall supervise, direct, and control this Corporation's activities, affairs, and officers. The Executive Director shall preside at all Board meetings, committee meetings, or as required by the Board. The Executive Director shall have such other powers and duties as the Board or the Bylaws may require.
- B. Assistant Executive Director: If the Executive Director is absent or disabled, the Assistant Executive Director shall perform all duties of the Executive Director. When so acting, a Assistant Executive Director shall have all powers of and be subject to all restrictions on the Executive Director. The Assistant Executive Director shall have such other powers and perform such other duties as the Board or the Bylaws may require.

- C. Secretary: The Secretary shall keep or cause to be kept, at this Corporations' principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board, and of committees of the Board that the Brown Act requires to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.

- D. Chief Financial Officer: The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of this Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The Chief Financial Officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of this Corporation with such depositories as the Board may designate; (ii) disburse this Corporations' funds as the Board may order; (iii) render to the Executive Director, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of this Corporation; and (iv) have such other powers and perform such other duties as the Board or the Bylaws may require.

The Chief Financial Officer shall be the primary cosigner and contact for the Corporation's financial institution and all third party accounting and bookkeeping firms for monthly reporting and filing annual tax returns.

If required by the Board, the Chief Financial Officer shall give this Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for

restoration to this Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

8. Contracts/Loans Involving Directors and Officers

- A. No Director of this Corporation nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation, unless (1) the material facts regarding that Director's financial interest in such contract or transaction or regarding such common Directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of the interested Directors; (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that this Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) this Corporation for its own benefit enters into the transaction, which is fair and reasonable to this Corporation at the time the transaction is entered into.

This subsection does not apply to a transaction that is part of a charitable program of this Corporation if (a) approved in good faith without favoritism, (b) results in a benefit to a Director or family because they are in a class of persons to be benefited by the charitable program of this corporation.

- B. This Corporation shall not lend any money or property to or guarantee the obligation of any Director or officer without the approval of the California Attorney General; provided, however, that this Corporation may advance money to a Director or officer of this Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by this Corporation.

9. Maintenance of Records

This Corporation shall maintain:

- A. Adequate books and records of account.
- B. Written minutes of Board meetings.

10. Right to Inspect

Every Director and member of the City Council of the City of Eastvale shall have the absolute right at any reasonable time to inspect this Corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

11. Annual Report

The Board shall cause an annual report to be sent to the Directors within (120) days after the end of this Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- A. The assets and liabilities, including the trust funds, of this Corporation as of the end of the fiscal year;
- B. The principal changes in assets and liabilities, including trust funds;
- C. This Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- D. This Corporation's expenses or disbursements for both general and restricted purposes;
- E. Any information required by these Bylaws; and
- F. An independent accountants' reports or, if none, the certificate of an authorized officer of this Corporation that such statements were prepared without audit from this Corporation's books and records.

This requirement of an annual report shall not apply if this Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to any Director who requests it in writing.

12. Execution of Instruments, Deposits, Checks

By Resolution the Board shall establish the authority of officers to execute instruments, receive deposits, to open bank accounts, and to sign checks for this Corporation.

13. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

14. Dedication of Assets

The property of this Corporation is irrevocably dedicated to public and charitable purposes and no part of the net income or assets of this Corporation shall ever inure to the benefit of any Director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets (other than trust funds) remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the City of Eastvale, such corporation or corporations to be selected by the Board of Directors of this Corporation with approval of the City Council of the City of Eastvale. Such nonprofit corporation or corporations must be qualified for federal income tax exemption under Section 501(c) (3) of the Internal Revenue Code, and be organized and operate exclusively for charitable, scientific, literary or educational purposes, or for a combination of said purposes. In the alternative, upon dissolution of the corporation, the net assets, (other than trust funds), shall be distributed to the City of Eastvale to be used for public purposes.

15. Insurance

This Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer's, Director's, employee's or agent's status as such.

16. Amendment of Bylaws

A simple majority of the Board may amend the Bylaws at any meeting. However, no such amendment or modification shall alter the purpose of this Corporation as set forth in Section 6. or in the Articles of Incorporation and/or affect in any manner the tax exempt status of this Corporation and the donations to it deductible from taxable income to the extent allowed by the provisions of the Code and other applicable legislation and regulations as they now exist or as they may be amended in the future. Every amendment or modification of these Bylaws shall be in writing, shall be signed by a majority of the Board of Directors

then serving and shall be delivered to each of the members of the Board then in office and shall be delivered in writing to the City Council of the City of Eastvale which shall require a vote of at least three (3) Council members for approval.

The term "majority," as used in this Section, is as defined in the California Nonprofit Corporation Law.

17. Maintenance of Records

The Secretary of the Corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws of the Corporation and is maintained with the official records of the Corporation at the principal office of the Corporation.

18. Certificate of Secretary

A Certificate of the Secretary of this Corporation shall be affixed to the original, or most recent amended version of the Bylaws, such Certificate to be in the following form.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Eastvale Community Foundation, a California Nonprofit Public Benefit Corporation, that the above bylaws, consisting of _____ pages, are the bylaws of this Corporation as adopted by the Board of Directors on _____, and that they have not been amended or modified since that date.

Executed _____ at Eastvale, California.

Secretary



City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2012
TO: MAYOR AND COUNCIL MEMBERS
FROM: JOHN CAVANAUGH, CITY ATTORNEY
SUBJECT: EASTVALE MUNICIPAL CODE

RECOMMENDATION: HOLD THE FIRST READING OF ORDINANCE NO. 2013-01, ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ADOPTING AND ENACTING A NEW CODE FOR THE CODE OF THE CITY OF EASTVALE, CALIFORNIA; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

BACKGROUND:

The City Council authorized staff to contract with Municipal Code Corporation for the codification of a municipal code, the City Council Meeting on January 12, 2011. Staff has been working with Municipal Code since that time, to review and consolidate ordinances adopted by the City Council with the pertinent portions of the Riverside County Code of Ordinances (adopted by the City Council upon incorporation).

DISCUSSION:

The attached ordinance is to adopt the codified Eastvale Municipal Code. The ordinance will be placed on the January 23, 2013 agenda for a second reading and final adoption. The ordinance will go into effect 30 days later, on February 22, 2013. At that time, the Eastvale Municipal Code will be made available online on the City's website. The online version of the Code will be fully text searchable and accessible to the public.

The cut-off date for ordinances to be added to this codification was February 8, 2012, however, language in the attached Ordinance specifies that all ordinances approved by the City Council after that date remain in full force and effect until they can be included as a supplement to the Municipal Code.

FISCAL IMPACT:

The City paid the estimated cost for codification services in full prior to the completion of the project. The actual cost of the project was \$2,562.87 less than the original estimate.

ATTACHMENTS:

1. Ordinance No. 2013-01
2. Proposed Eastvale Municipal Code (Available Electronically in the City Clerk's Dept)

Prepared by: Ariel Berry, Assistant City Clerk
Reviewed by: Carol Jacobs, City Manager
John Cavanaugh, City Attorney

ORDINANCE NO. 2013-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA, ADOPTING AND ENACTING A NEW CODE FOR THE CODE OF THE CITY OF EASTVALE, CALIFORNIA; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EASTVALE, CALIFORNIA:

Section 1. The Code published by Municipal Code Corporation entitled the "Code of the City of Eastvale, California," consisting of Part A entitled "General Ordinances" containing titles 1 through 23 and Part B entitled "Land Development Code" containing titles 101 through 130, each inclusive, is hereby adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before February 8, 2012, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Penalties.

- (a) Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished by a fine of not more than \$1,000.00, or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment.
- (b) Any conviction of an infraction under the provisions of this Code shall be punishable for a first conviction by a fine of not more than \$100.00, for a second conviction within a period of one year by a fine of not more than \$200.00, and for a third or any subsequent conviction within a period of one year by a fine of not more than \$500.00.
- (c) Any violation expressly declared to be punishable, in the discretion of the court by either a fine, or by a fine or imprisonment, or both, shall become an infraction for all purposes under any of the following circumstances:

- (1) Where a judgment imposes a punishment of a fine not exceeding \$100.00 in the case of a first offense;
 - (2) When the court grants probation to a defendant without the imposition of a sentence and, at the time of granting probation, or on application of the defendant or probation officer thereafter, the court declares the offense to be an infraction; or
 - (3) When the city attorney or the district attorney files in a court having jurisdiction over misdemeanor offenses a complaint specifying that the offense is an infraction.
- (d) Notwithstanding any other provision of law, a violation of local building and safety codes determined to be an infraction is punishable by a fine not exceeding:
- (1) \$100.00 for a first violation;
 - (2) \$500.00 for a second violation of the same ordinance within one year;
 - (3) \$1,000.00 for each additional violation of the same ordinance within one year of the first violation.
- (e) Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City Council may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the City to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after February 8, 2012, that amend or refer to ordinances that have been codified in the Code shall be construed as if they amend or refer to like provisions of the Code.

Section 7. This ordinance shall become effective February 22, 2013.

Passed and adopted by the City Council this 23rd day of January, 2013.

Ike Bootsma, Mayor

ATTEST:

Ariel Berry, Assistant City Clerk

APPROVED AS TO FORM:

John Cavanaugh, City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF EASTVALE)

I, Ariel Berry, ASSISTANT CITY CLERK OF THE CITY OF EASTVALE, DO HEREBY CERTIFY that the foregoing Ordinance Number 2013-01 was duly and regularly adopted by the City Council of the City of Eastvale at a REGULAR meeting held the 23rd day of January, 2013, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ariel Berry, Assistant City Clerk



City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2012
TO: MAYOR AND COUNCIL MEMBERS
FROM: TERRY SHEA, FINANCE DIRECTOR
SUBJECT: APPROVAL OF VARIOUS ADMINISTRATIVE POLICIES

RECOMMENDATION: APPROVE ATTACHED ADMINISTRATIVE POLICIES

BACKGROUND:

In order to provide a consistent set of rules and policies, City staff has developed a set of Administrative Policies to govern city operations. Staff has strived to maintain financial and administrative integrity through best practices. However, the purpose of the policies formalize City practices in a set of operating procedures in order to create a framework and establish a central reference point for many issues and decisions facing the City.

DISCUSSION:

Administrative policies provide guidance to City Council Members, Commissioners, employees and contract staff regarding business practice standards. These policies are intended to assist staff in the management of the City, save time and energy when discussing financial and administrative matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies may be amended and updated periodically, they will provide a basic foundation and framework for many issues and procedures facing the City. They will promote sound financial management and assist in the City's stability, efficiency and effectiveness.

Once approved, all administrative polices herein and already adopted, will be codified and made available for reference in daily operating activities. In addition, all employees, contractors and volunteers will be required to sign and acknowledge that these polices have been provided to them and will be adhered to.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENTS:

1. Acceptance of Money or Gifts Policy
2. Anti-fraud Policy
3. Contract Procedures
4. Accounts Payable Processing
5. Budget Policy
6. Budget Adjustments Policy

7. Cash Controls and Handling Policy
8. Cash Receipt Procedures
9. Change Orders
10. Donations
11. Fixed Asset Policy
12. Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54
13. Month-end Closing Procedures
14. Payroll Procedures
15. Claim Procedures
16. Workers' Compensation Reporting Procedures

Prepared by: Anna Montoya, Deputy Finance Director

Reviewed by: Terry Shea, Finance Director
Carol Jacobs, City Manager
John Cavanaugh, City Attorney

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Acceptance of Money or Gifts	Effective Date:
	Page 1 of 1

Purpose:

An employee (regular or contractual) shall not receive or accept money or any other consideration from anyone other than the City for the performance of an act which the employee would be required or expected to render in the regular course or hours of his/her City employment or as part of his/her duties as a City employee.

Policy:

An employee shall not receive or accept, directly or indirectly, any gift including any service, gratuity, favor, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the City, or whose activities are regulated or controlled in any way by the City under circumstances in which the gift was intended to influence him/her in his/her official duties or was intended as a reward for any official action on his/her part.

Under no circumstances shall gifts of more than nominal value be accepted from persons or firms who are doing or are seeking to do business of any kind with the City, or whose activities are regulated or controlled in any way by the City.

Edible gifts can be accepted and are to be shared with all employees. Gifts received that all employees and/or public can enjoy, i.e. a wreath, may be accepted. A gift that can be raffled during an employee function or during office hours can also be accepted. Gifts that are given to a specific individual should be graciously returned.

An employee shall not knowingly or deliberately use the prestige or influence of a City office or employment, any City time, facilities, equipment, or supplies, any confidential information acquired by virtue of City employment, for the employee's private gain or advantage, or the private gain or advantage of another.

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Anti-Fraud Policy	Effective Date:
	Page 1 of 3

Purpose:

The City of Eastvale is committed to protecting tax payer dollars and assets from fraud and recovering losses as a result of fraudulent activities. This policy establishes steps to combat fraud and to provide procedures to follow when fraudulent acts are suspected.

Policy:

It is the policy of the City of Eastvale to identify, and promptly investigate, any employee behavior that may be considered “fraud” or misuse of City assets. This policy applies to all employees and contractors of the City of Eastvale.

For the purposes of this policy, fraud is defined as: the intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right. In some instances, intentional fraud may be considered criminal. Behavior considered by the City of Eastvale to be fraudulent includes but is not limited to the following:

- Falsifying job-related expenses.
- Forgery or unauthorized alteration of documents such as checks, promissory notes, time sheets, agreements, purchase orders, etc.
- Misrepresenting facts in order to obtain City equipment including cash, notes, equipment, furniture, etc.
- Knowingly authorizing payments for goods not delivered or receiving payments for services not rendered.
- Knowingly falsifying records of cash or money transactions.
- Misrepresenting accounting/budget numbers/financial statements to conceal employee theft.
- Misrepresenting the cost of a project so that funds may be used otherwise.
- Misrepresenting contractor qualifications to secure an agreement so that the employee receives remuneration from the contractor.

Responsibilities of employees and individual departments:

City Management Responsibilities:

The City’s Finance Department is responsible for developing and maintaining an effective system of internal control that safeguards taxpayer assets. As part of this policy, the Finance Director will implement administrative regulations that will protect assets from being fraudulently misappropriated. The administrative regulation will include a regular review of fraud risks and the creation of internal controls to combat any perceived risks, a process to control reporting of transactions to protect against fraudulent reporting and/or accounting, require management to develop adequate internal controls to prevent and detect fraud.

The City Attorney, is responsible for recovering losses from fraudulent activities. Individual departments are responsible for reporting suspected acts of fraud to the Fraud Review Committee described below.

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Anti-Fraud Policy	Effective Date:
	Page 2 of 3

The City Manager acting as Personnel Director, or her designee, is responsible for implementing this policy and providing this policy to all new employees as part of the Personnel function.

Process for Handling Suspected Acts of Fraud:

A Fraud Review Committee will be formed to review suspected acts of fraud. This committee will include the City Manager, City Attorney and a representative from the Sheriff's Department. This committee will be responsible for reviewing reported suspected acts of fraud. Its primary purpose will be to conduct a preliminary investigation to determine if the suspected act merits further action. If it is determined that the suspected activity warrants further investigation, the Sheriff's Department, and/or City Attorney and City Manager will conduct the investigation.

Suspected Acts of Fraud Reported or Uncovered by City Employees:

If an employee suspects and reports a suspected act of fraud, the first notification should be made to the employee's immediate supervisor. If the employee suspects that the immediate supervisor is involved, the employee should report their findings directly to the department head. If the employee suspects that the department head is involved, the employee should report their findings directly to the City Manager and the City Attorney.

After a suspected act of fraud is reported the Fraud Review Committee shall be contacted. The Fraud Review committee will meet and determine if the suspected action warrants a further investigation. If the suspected action does not warrant a further investigation, no further action shall be taken. If the suspected act of fraud warrants further investigation, the City Attorney and Sheriff's Department shall determine the appropriate investigation.

Suspected Acts of Fraud Reported or Uncovered by Outside Persons:

If an outside party reports a suspected act of fraud to a City employee the employee shall report this to his or her immediate supervisor. If the outside party reports suspected acts of fraud of a supervisor or department head, to an employee, the employee shall report to the Police Lieutenant or City Attorney.

Suspected Acts of Fraud Reported by Elected Officials or City Commissioners:

If an elected official or member of a City commission suspects fraud, he or she shall report this act to the City Attorney and City Manager.

Reporting Requirements:

Once an individual has reported alleged fraud, the following three processes will be followed:

Level 1 – After a suspected act of fraud has been reported to the appropriate level of City staff, and then to the Fraud Review Committee, the review Committee will determine whether further action is necessary. If the Committee determines the accusation has no merit, no further action will be taken. At this level, employee confidentiality is maintained.

Level 2 – After a suspected act of fraud has been reported to the appropriate level of City staff, and then to the Fraud Review Committee, and if the suspected act of fraud has been

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Anti-Fraud Policy	Effective Date:
	Page 3 of 3

determined to have merit, an appropriate investigation begins. At this level, only the investigating departments and the City Manager are contacted.

Level 3 – An investigation has determined that fraud has taken place. All appropriate criminal and/or administrative actions are underway.

The Finance Department shall notify the City's external auditors of known acts of fraud that have reached the level 3 status.

DRAFT

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Contract Procedures	Effective Date:
	Page 1 of 2

Purpose.

This administrative policy establishes a procedure for the procurements, processing, and maintenance of City contracts. The primary purpose of this administrative policy is to ensure that City contracts are reviewed and renewed appropriately and contain appropriate insurance requirements.

Applicability.

“Contract” as used herein means any lease or agreement wherein the City is to receive funds or services.

Compliance with Law.

All contracts procured shall be entered into in accordance with all ordinances, resolutions, code, statutes, rules and regulations of the City and any Federal, State and/or local government agency of competent jurisdiction. Please reference Chapter 3.12 of the Eastvale Municipal Code for Purchasing requirements.

Process and Procedures.

All applicable contracts are subject to the following requirements.

A. Approvals:

1. Approval by the respective Department Head is required for all contracts.
2. Budgetary approval by the Finance Department is required for all contracts.
3. The City Attorney will review and approve all contracts for proper risk transfer and required insurance limits.
4. Approval by the City Manager is required for all contracts.
5. Approval by the City Council is required for any contract exceeding \$25,000.

B. Responsibilities:

1. Department Heads/Managers will be responsible for procuring contracts under their respective areas, including overseeing or performing the procedures set forth below.

CITY OF EASTVALE Administrative Policy	Policy No:
Subject Contract Procedures	Effective Date:
	Page 2 of 2

C. Procedures:

1. Department Heads/Managers are responsible for obtaining approval of City contracts pursuant to this policy.
2. Projects should be reviewed as to scope, contract sum, terms of payments, licensing, and insurance requirements. The Project Manager is responsible for any performance bond related to the project. All original bond documents should be filed with the City Clerk. The contracting party should be notified promptly of all requirements and should agree on the terms and conditions for each contract.
3. City contracts must be prepared on the City's standard Professional Services Agreement Form. Certain types of services such as architectural or design services have additional requirements. The City Attorney must approve any changes to the standard Professional Services Agreement Forms.
4. The Contract Insurance Requirement Checklist (Attachment A) must be completed by the Project Manager and submitted to the City Clerk's Department together with the original contract and the evidence of insurance documents issued by the contracting party prior to approval by City Manager or City Council.
5. If the contract requires Council Action, the Department Head/Manager will process the contract pursuant to existing City Council Agenda procedures.
6. The City Clerk's Office is responsible for the proper filing of the contract as set forth below:
 - a. Original fully executed contracts shall be filed with the City Clerk's Office.
 - b. A copy of the fully executed contract will be entered into the digital records management software for City-wide reference.
7. Contractor invoices received by the Finance Department will be verified with the contract terms and conditions on file. Invoices received by the Finance Department will not be processed for payment without a fully executed contract. The responsible department will review and approve invoices for payment.
8. At least thirty (30) days prior to the expiration of any contract insurance requirement, the respective Project Manager shall procure renewal insurance certificates as appropriate. Automatic renewal of insurance certificates should be requested from the contracting party for any ongoing contracts.
9. If a contract is to be renewed, the Department Manager will follow the same procedures as outlined in this policy.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Accounts Payable Procedures	Effective Date:
	Page 1 of 4

Purpose:

The Accounts Payable Policies and Procedures relate to the recording and payment of all vendor invoices for the City of Eastvale, including both purchase order and non-purchase order items. These policies are intended to be guidelines for staff responsible for processing invoices and the responsibility to observe these guidelines belongs to all employees who process and/or approve invoices for their departments.

Policy:

It is the policy of the City of Eastvale to pay vendor invoices within 30 days of receipt. In order to process accounts payable the following procedures are to be followed.

General Information:

City of Eastvale disburses accounts payable checks the day after City Council warrant approval at the 2nd semi-monthly Wednesday night meeting (generally 4th Wednesday of each month except for November and December). The accounts payable/check processing schedule requires that completed and approved invoices be submitted to Finance two weeks prior to the City Council meeting. In the absence of an approved vendor invoice, all vouchers require a Request for Warrant form to be approved and attached to supporting documentation and submitted to Finance two weeks prior to the City Council Meeting.

Under special circumstances, prepaid checks are released prior to Council approval and then included on the next regularly processed warrant run. This weekly process is for invoices related to utilities, employee reimbursements or other recurring bills that require a quick turnaround or will result in late fees, or situations with proper approved documentation.

Accounts Payable is processed on a monthly basis based on the annual Accounts Payable Calendar. Prepaid Accounts Payable run is processed on a weekly basis and is described more fully below.

Procedures:

Invoices are received by the department that initiated the transaction. Invoices are paid only from original invoices and will not be paid by copies or statements received by the vendor.

Each department is responsible for verification of invoices for payment including the following items.

- Comparison of quantities billed on the invoice with quantities listed on the purchase order or shown on the receiving documents.
- Comparison of prices, discounts, and terms with those specified on the purchase order.
- Proof of clerical accuracy of the invoice with respect to extensions, mathematical accuracy and deductions for discounts.

An approved invoice is required for all payments and is used to clearly document the checks to be paid. In the absence of an invoice, an approved Request for Warrant Form is required. The initiating department completes the form, which is then reviewed and approved by the Finance Department.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Accounts Payable Procedures	Effective Date:
	Page 2 of 4

The Request for Warrant form shall including the following information:

- Date of Request
- Name and title of staff requesting the payment
- Payee - vendor name and address
- Return Date – date on which the check is required to be mailed or returned to requesting staff.
- General Ledger Code - this is the account to which the expenditure is to be charged. If there are insufficient funds in the account a budget adjustment may be required.
- Reason for Warrant Request - provide a brief explanation for the purchase and a description of the services provided.
- Department Head Approval – all payable vouchers must be signed by the initiating department head.
- City Manager Approval – all Invoices and Requests for Warrants require the City Manager’s signature. This will be obtained by the Finance Department.

The Finance Department will review and process the request on the next available accounts payable check run after the proper approvals have been secured.

The Finance Department processes invoices for payment in the following manner:

Process

Once the invoice is approved, the invoices are entered into the financial system. Invoices are entered into the Accounts Payable Module by Finance staff as assigned by the Finance Director. An Accounts Payable audit report is generated, printed and reviewed and matched to the check run by Finance staff and turned into the Finance Director to audit and approve the invoices for payment.

Once the invoices are reviewed and approved by the Finance Director, staff proceeds according to accounts payable calendar or weekly accounts payable process to process checks for payment.

After the accounts payable checks are processed, the accounts payable run is posted to the accounts payable module in the City’s financial system. The charges automatically post and are reflected in the general ledger. The duplicate check copy is attached to the invoices. During the matching process, a “PAID” stamp is stamped on the supporting documentation prior to filing. A vendor file is created and filed alphabetically in the vendor file according to fiscal year.

Pre-Pay Schedule:

When warranted, and in order to avoid unnecessary penalties or late charges, a small accounts payable check run is made available every Thursday.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Accounts Payable Procedures	Effective Date:
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Prepaid checks processed on a weekly basis are released prior to Council approval and then included on the next regularly processed warrant run. Checks are processed on Thursday and released in the afternoon through the normal mail process.

Wires (Electronic Fund Transfers-EFT):

In order to expedite payment, certain recurring monthly invoices including utility, insurance and retirement invoices may be paid through electronic fund transfers initiated from the Vendor's website. All invoices must be approved through the normal accounts payable process. A Wire Transfer Form must be attached to the invoice and approved by the City Manager.

Review by Finance Committee

The Finance Committee meets monthly a week before the Council Meeting approving the warrants (generally the third Wednesday of each month, with the exception of November and December) to review the Warrant Register. All checks, subsequent to the previous month's warrant register are included for their review. After the Finance Committee reviews the Warrant Register, they sign the Council Agenda staff report noting their approval.

Issuance of Accounts Payable Checks

City of Eastvale disbursement checks are released the day after City Council warrant approval at the last regular Council Meeting of each month. Checks are mailed Thursday afternoon. If there are any checks to be held the Finance Director will notify the staff to hold the check.

Check Log

Accounts payable checks are pre-numbered and secured in the safe. Each time a check is used it is recorded into the check register log, including date, number of checks used and initialed by employee receiving the checks. All checks must be accounted for. Any damaged or voided checks are to be turned into the Deputy Finance Director.

Accounts Payable Reports

At the end of the accounts payable process, all audit reports, warrant registers and posted transaction reports will be filed by month approved by City Council and kept in the Finance Department pursuant to the City's record retention schedule.

Void Checks:

There are times when a check would need to be "voided" out of the financial system. In order for this process to occur a Void Check Authorization Form must be filled out and approved by the Finance Director. The following information must be obtained:

- Check Number
- Amount
- Date
- Issued To
- Reason for void
- Stop Payment Required

CITY OF EASTVALE Finance Policy	Policy No:
Subject Accounts Payable Procedures	Effective Date:
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- Check being Reissued

Once approval from the Finance Director is obtained, the void check process is posted in the financial system. In order to reverse the transaction fully in the general ledger system, a void check and credit memo must be processed. A copy of the void check authorization form is kept in the Finance Department indicating the posting date on the void check authorization form.

At the end of the void check process, all authorization forms, audit reports and posted transaction reports are reviewed and filed in the Finance Department.

Manual Checks

In extremely rare situations a manual check may be written. To obtain a manual check requires the approval of the Department Head and City Manager.

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CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Budget Policy</p>	Effective Date:
	Page 1 of 2

Purpose:

To establish polices related to the budget for the City of Eastvale to guide the development of the City’s budget and help manage financial pressures to address growing demands upon City resources, while preserving long-term fiscal stability.

Policy:

The general fund, which is the main operating fund of the City, is required to annually have a balanced budget. Appropriations will equal revenues in the proposed City Manager’s budget submitted to Council for review and approval. Council will adopt a balanced budget by resolution. This policy assures that the city does not spend beyond its means.

Unreserved fund balance in the general fund will only be appropriated for one-time type expenditures at the request of the City Manager and approval of Council. While in any given year all or a portion of the unreserved balance in a fund may be appropriated for expenditure, the long-term goal is that operating expenditures not exceed operating revenues on an annualized basis such that structural balance is maintained within each fund. Consistent with this long-term goal, the better practice is to appropriate portions of the beginning balance only to the extent they support non-recurring expenditures, replace temporary declines in revenue, or are reasonably anticipated to be offset by increased revenue not yet officially recognized in a revenue estimate.

Budget Process

The purpose of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. The following is a summary of policies that will guide the process.

1. The City Manager and City Council will set parameters/priorities at the beginning of each budget cycle.
2. The Finance Department will publish annually an operating budget calendar approved by the City Manager. Budget worksheets will be provided to each department head that will guide departments with the development of their budgets.
3. The budget process should include financial forecasts to assess financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve Council’s goals.
4. Upon submission of the departmental requests, the City Manager reviews and evaluates all baseline budget requests to determine whether they fulfill City Council goals and objectives, improve management effectiveness, and service delivery.
5. The City Manager submits a proposed budget to City Council for approval.

Revenue Estimates

City departments that generate revenue are required to submit revenue estimates annually for the preceding fiscal year to the Finance Department with supporting documentation identifying the methodology utilized in preparing revenue estimates. The Finance Department will review the estimates and include them in the budget process.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Budget Policy	Effective Date:
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Revenues should be estimated using a conservative approach to avoid any budget shortfalls during the fiscal year. There should be a consensus by the Department, the Finance Director and the City Manager on the estimate prior to inclusion in the proposed budget submitted to Council for adoption.

Appropriation Estimates

Appropriations shall be sufficient to provide quality services at a reasonable cost, within available financial resources and according the City's strategic plan. All new requests for program funding should be accompanied with concise statements of program's mission, objectives, and intended measurable outcomes.

Capital Improvement Plan

A five-year Capital Improvement Program (CIP) will be developed and submitted to Council for approval. The CIP must include:

1. A list of proposed capital improvements with cost estimates, methods of financing, recommended time schedules for each improvement and the estimated income or cost of maintaining the facilities to be constructed. Projects to be included in the CIP are infrastructure or facilities over \$50,000 or recurring projects that are part of a capital asset maintenance program.
2. Capital projects presented in the CIP will show related operating and maintenance costs, and will be considered during the operating budget evaluation. Departments shall have a plan developed with adequate funding for further repairs and replacement.

Budget Adoption:

The budget shall be adopted by resolution not later than June 30 of each year; but, in the event the budget is not adopted, the appropriation for personnel and essential operating supplies made in the previous year shall be extended until the new budget is adopted. Each department head is ultimately responsible for making sure his/her department does not exceed budget.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Budget Amendment Policy	Effective Date:
	Page 1 of 2

Purpose:

The City begins each fiscal year with a budget approved and adopted by the City Council. In some instances it may become necessary during the year to amend specific line items within the budget. The purpose of this policy is to describe the procedures necessary to amend the budget subsequent to the Council's approval and adoption due to changes in revenues and/or the expenditure program during the fiscal year.

Policy:

The City Manager and, when necessary, the City Council, may consider requests for changes in the budget during the fiscal year that have been properly submitted by departments and which are necessitated by changes in circumstances unforeseen at the time of the original budget approval.

The department heads are expected to maintain control of expenditures in order to properly administer their programs. When events occur that require a modification in a budget, the department head should take immediate action to request changes in the budget to reflect the changed situation.

Definitions:

Appropriation – An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources. Budgetary/operating fund appropriations lapse at the end of each fiscal year. Non-operating fund appropriations continue in force until fully expended or until the City has accomplished or abandoned the purpose for which the City Council granted the funds.

Fund Balance – Also known as financial position or reserve, fund balance is the difference between assets and liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

Unappropriated Fund Balance – Unrestricted fund balance reserve to be used as a carryover for the following year's budget.

Criteria:

Budget adjustment requiring City Manager approval:

1. A revenue estimate increase and/or decrease to or from the unappropriated fund balance of a fund involving any amount.
2. An appropriation transfer between two or more line items within a single department/program. The net change to the overall department/program budget resulting from this type of budget amendment is always zero.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Budget Amendment Policy	Effective Date:
	Page 2 of 2

3. An appropriation transfer between two or more departments/programs within the same fund. The net change to the overall fund budget resulting from this type of budget amendment is always zero.
4. An appropriation transfer between funds in any amount as long as the net change does not increase the total overall approved appropriated budget. The net change to the overall operating budget resulting from this type of budget amendment is always zero.
5. An appropriation transfer between capital improvement projects within the same fund when the amount is \$50,000 or less.

Budget adjustment requiring City Council approval upon City Manager recommendation:

1. An increase in the total amount of appropriations within a fund that result in a net change to the overall operating budget.
2. An appropriation increase for any new capital improvement project.
3. An appropriation transfer between capital improvement projects within the same fund when the amount is \$50,000 or more.

Procedure:

- A. The department requesting a budget adjustment should submit a written request and explanation in memo form to the City Manager. The explanation should include the amount and the account number(s) along with a reason necessitating the request. In situations where the appropriation is a new appropriation, a revenue source or resource should be indicated.
- B. The City Manager shall review the request and approve or deny the request. Should the request meet the criteria for City Council consideration, the initiating department shall prepare a recommendation and arrange for City Council consideration. Should the City Manager deny the request, he/she shall state his/her reasons and return it to the initiating department.
- C. After final approval has been granted by either the City Manager or City Council, the City Manager shall return the complete form along with material information to the Finance Department for implementation of the final action.
- D. During the fiscal year, the City Council may initiate, through minute motion, changes to programs or activities which will require funding above that in the adopted budget. In such cases, even in the absence of a formal budget appropriation, the Finance Director has implicit authority to amend the budget subject to the City Manager's approval.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Cash Controls and Handling Policy	Effective Date:
	Page 1 of 3

Purpose:

Cash represents the City's most liquid asset. In recognition of the need to safeguard public funds, a series of cash controls and handling policies have been established for uniform application in all departments, including separation of duties, authorization and approval, review and reconciliation, physical controls, and training and supervision.

Policy:

The City of Eastvale's central cashing function is performed by the City's Finance Department. No other department is authorized to receive and process cash, checks and/or credit cards.

Procedures:

General Cash Controls:

The number of employees with access to cash funds shall be limited to assure internal control. The Finance Director shall grant access authority with City Manager approval.

To the extent staffing levels permit, the physical separation of duties from the function of custodian of cash balances and the accounting and record keeping of the same shall be maintained.

Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision shall exist. Authorized personnel not assigned the custodial responsibility shall periodically examine, count or perform other reviews of cash funds.

Physical protection of funds through the use of bank facilities and locked cash boxes or drawers shall be practiced at all times.

Cash on the premises will be held to an absolute minimum to insure safety and maximize return on investments.

Cash Receipting:

Because the Finance Department performs the central cashing function, all evidence of cash/checks received shall be forwarded to the Finance Department as soon as possible to assure timely and proper credit in the receipting process.

The Finance Department shall have a permanent collection record, such as a cash register tape, that has the record of transactions including voids, refunds or cancellations. All revenues collected in cash shall have a receipt issued at the point of sale or collection whether handwritten or electronically generated. All handwritten receipts shall be pre-numbered to account for lapsed sequence.

Departments receiving checks as payments shall require the maker of the check to make it payable to "City of Eastvale." Under no circumstances shall a check for the City be made payable to an individual or left blank.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Cash Controls and Handling Policy	Effective Date:
	Page 2 of 3

All checks shall be restrictively endorsed (stamped) immediately upon receipt or through the City's electronic deposit process at end of day.

Each check shall be inspected to ensure the following:

- Current date (post or stale dated checks shall not be accepted).
- Proper signature.
- No alterations.
- Bank name and routing number printed on check.
- If temporary check, payer's name and address written on check.
- Written amount matches numeric amount.

No checks shall be cashed from cash receipts.

All steps of each counter transaction must be completed, including steps to enter the transaction in the accounting system and to place the receipts in a secured location before a new transaction is started.

Overages and Shortages:

It is the responsibility of the cash account holder to ensure cash on hand and cash deposited equal actual receipts at all times. Significant shortages and overages shall be reported to the Finance Department and City Manager immediately. Cash overages and shortages, as well as any known circumstances surrounding the overage/shortage, shall be recorded and kept on file.

Deposits:

The general operating standard for deposits of cash to the bank shall be at the end of week via secured armored transport. Departments shall weigh reasonableness and practicality versus security in determining the timing for the deposit of small amounts. All deposits not made until end of week shall be held in a secured location such as a safe.

All checks shall be deposited daily by the Finance Department via remote electronic deposit. All deposited checks shall be kept in the safe for no less than 90 days and shall be shredded thereafter.

All security and bid deposits received in negotiable form and escrow funds or other funds requiring specialized handling shall be held in the Finance Department's safe until final disposition is made.

All deposits shall be made intact; departmental receipts shall never be used to replenish petty cash or other funds.

Petty Cash

Petty cash funds shall be established by the issuance of a check from the Finance Department restricted to a level appropriate to conduct City business in an efficient but responsible manner.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Cash Controls and Handling Policy	Effective Date: Page 3 of 3

Petty cash transactions shall be subject to the same authorized expenditure controls as any other invoice presented for payment through the accounts payable process.

Petty cash funds shall be maintained on an imprest basis, that is, the amount of the fund will remain constant with the custodian of the fund requesting a reimbursement check from the Finance Department for amounts disbursed. A check will be issued only upon the presentation and surrender of satisfactory evidence of such disbursements. The amount of the reimbursement will always be the exact amount of the aggregated disbursements made from the fund.

Reimbursements will be made only as frequently as the fund requires replenishment. No check shall be cashed from petty cash funds. Authorized personnel can make unannounced counts of petty cash or any other working fund, e.g. postage fund, at any time.

Change or Temporary Cash Boxes:

Change funds shall be established and controlled in the same manner as petty cash funds; There shall be no commingling of petty cash or cash receipts with change or other working funds. No checks shall be cashed from change or other working funds. When change or temporary cash boxes are no longer needed to conduct the business for which they were established, the funds shall be deposited with the Finance Department the next business day.

Check Cashing Policy:

No personal checks shall be cashed.

Returned Checks:

Occasionally a deposited check may not clear the bank for one or several reasons; such as non-sufficient funds, account closed, stop payment, funds held, stolen checks, forgery, endorsement, or signature. The Finance Department assumes responsibility for collections with cooperation from the receiving department.

Foreign and Mutilated Coins:

Foreign coin and currency, including Canadian coin, shall not be accepted. Only coins and currency issued by the United States Federal Reserve Board are legal tender. Traveler's checks must state "U.S. Dollars". No bent or mutilated coin shall be accepted.

Banking Services and Account Opening Policy:

The Finance Department is responsible for the City's banking relationships. Approval for establishing new or closing bank accounts shall be coordinated through the Finance Department. Use of the City's federal employer identification number to open bank accounts for other than legal, authorized City business is prohibited.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Cash Receipts	Effective Date:
	Page 1 of 1

Purpose:

To establish a safeguard for the City's cash and provide procedures on how cash is to be processed.

Policy:

It is the policy of the City of Eastvale to process cash and checks on the date received.

Procedures:

Cash receipts are comprised of cash, credit card payment, and wire transfers and checks. All cash transactions are recorded through the Finance Department personnel as assigned by the Finance Director. To the extent staffing levels permit, the physical separation of duties from the function of custodian of cash balances and the accounting and record keeping of the same shall be maintained. Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision shall exist.

The cashier records cash transactions, balances the cash drawer, and closes out the daily cash receipts in the cash receipts log. The cashier prepares the bank deposit and remits it to the Finance Department at the end of the day. The deposit held in the safe and picked up at the end of week by an armored car service. Thursday's cash deposit is held in the City's safe and included with the following week deposit. The City utilizes an electronic deposit service, therefore the City does not hold checks, and they are processed the same day as received.

The cashier prints the day's cash receipt log for all of the day's cash activities. The cash receipts and the receipt log are then transferred to the Finance Department. A second count of the cash is completed and the Finance Department staff places the cash drawer in the safe at the end of the day. Finance Department staff is also responsible for opening the safe and giving it to the cashier each business day.

After the Finance completes the daily cash review, a new cash receipts batch is created and entered in the financial system. The cash receipts audit report is given to the Finance Director, or his designee, for review. Any revisions to account numbers, descriptions, or amounts are given back to the staff to make changes as appropriate. A new audit report is printed. The cash receipts with reports are then returned to the Finance Director, or his designee, again to review for completeness and accuracy. The Finance Director signs off of the review and returns it to Finance staff who then posts the batch to the General Ledger.

After the cash receipts are posted to the general ledger, cash receipts are filed by day and labeled with the date and the content. A copy of the posted cash receipts report is placed in a three ring binder by fiscal year. The daily cash receipt batches are filed by fiscal year. At the end of each fiscal year, cash receipts are boxed, labeled and stored according to the City's record retention schedule.

CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Change Orders</p>	Effective Date:
	Page 1 of 1

Purpose:

The purpose of this policy is to provide direction on the method used to process change orders to existing contracts, professional services agreements and capital improvement projects.

Policy:

Change order authorization will be given in accordance with the City's adopted Purchasing Policy Section 3.12.090 Change Orders as follows:

1. The City Manager's approval is required for all Change Orders less than \$25,000, provided that the aggregate amount of all changes to a particular contract does not exceed 10% of the original contract cost. Any time extension of the performance deadline up to a total of 60 days may be approved by the City Manager.
2. City Council approval is required when an individual Change Order or the sum of all Change Orders on a City Council awarded contract/agreement equals or exceeds 10% of the original contract/agreement amount or when the total amended contract/agreement now exceeds the threshold of \$25,000 requiring Council award. For contracts/agreements now exceeding the \$25,000 threshold, future Change Orders approval limits shall comply with the above requirements. Any time extension that exceeds 60 days shall be approved by the City Council.
3. If a proposed contract modification, change order or request of extra work exceeds the limitations imposed upon the City Manager by the Purchasing Policy or by resolution, and any extended delay in obtaining City Council approval is reasonably determined to subject the City to liability for damages incurred by a contractor, or to jeopardize the public health, welfare, or safety, or to otherwise result in potential detriment to the City, the City Manager shall have authority to exceed the dollar amounts or percentage limitations specified herein and submit to City Council at the next available City Council meeting.
4. All contract modifications shall be subject to approval as to form by the City Attorney.

Procedures:

The Department requesting the change order is to provide written documentation on the rationale for the change order. The vendor must supply in writing the request for the change order, the reason the change order is required and a fixed dollar amount of the requested change. The Department will verify the availability of funds prior to submitting the request for Change Order (On annual contracts, changes apply to the "per year" contract amount.) Where funds are not available, a budget adjustment will first be required and approved.

All change orders will be documented and submitted to purchasing in order to process the request.

After obtaining appropriate approvals, the Finance Department will issue a written Purchase Order Change Order to the contract/agreement, which will be distributed and processed in the same manner as a regular Purchase Order.

CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Donations</p>	Effective Date:
	Page 1 of 2

Purpose:

To establish a procedure for the acceptance, reporting, depositing and disbursement of monetary and property donations.

Policy:

The City has the authority to accept or reject gifts, bequests and devises of money or property. Appropriations are required if a department wishes to make an expenditure due to the receipt of monetary gifts to the City. All gifts, monetary donations and any in-kind donations with a value over \$250 are to be reported directly to the Finance Department. Gifts in excess of \$5,000 are to be accepted by the City Council. All donations shall become City property upon formal acceptance by the City Council or appropriate City Department.

Definitions:

Donations - A voluntary contribution from private entities for a specific program and without expectation of a specific good or service from the City.

Restricted Donation - A donation to the City for a specific purpose.

Unrestricted Donation – A donation to the City without any limitation being placed on its use.

Monetary Donation - Monetary donations include currency, checks, money orders, etc.

In-kind Donation – Any item or object other than cash or real property which would serve a useful purpose in the provision of City services.

Procedures:

Unrestricted Donations

The receiving department shall forward all unrestricted monetary donations and other related documentation to the Finance Department with a memo outlining the donation and its purpose signed by the Department Head. Monetary gifts will be deposited into the City's General Fund. The receiving department shall acknowledge the acceptance of a gift by giving the donor a cash receipt or a letter of acceptance. Unrestricted monetary donations greater than \$5,000 require City Council approval for acceptance.

In-Kind Donations

All in-kind donations greater than \$250 in value must be approved by the Finance Department prior to its acceptance. The Finance Department will inform the City Manager of the donations to insure that the donation is acknowledged and that suitable recognition is afforded the donor.

Restricted Donations

Restricted personal property donations may be made to the City for specific purposes. These donations may be cash or in-kind contributions. The receiving department shall forward the donation and other related documentation to the Finance Department with a memo outlining the donation and its purpose signed by the Department Head.

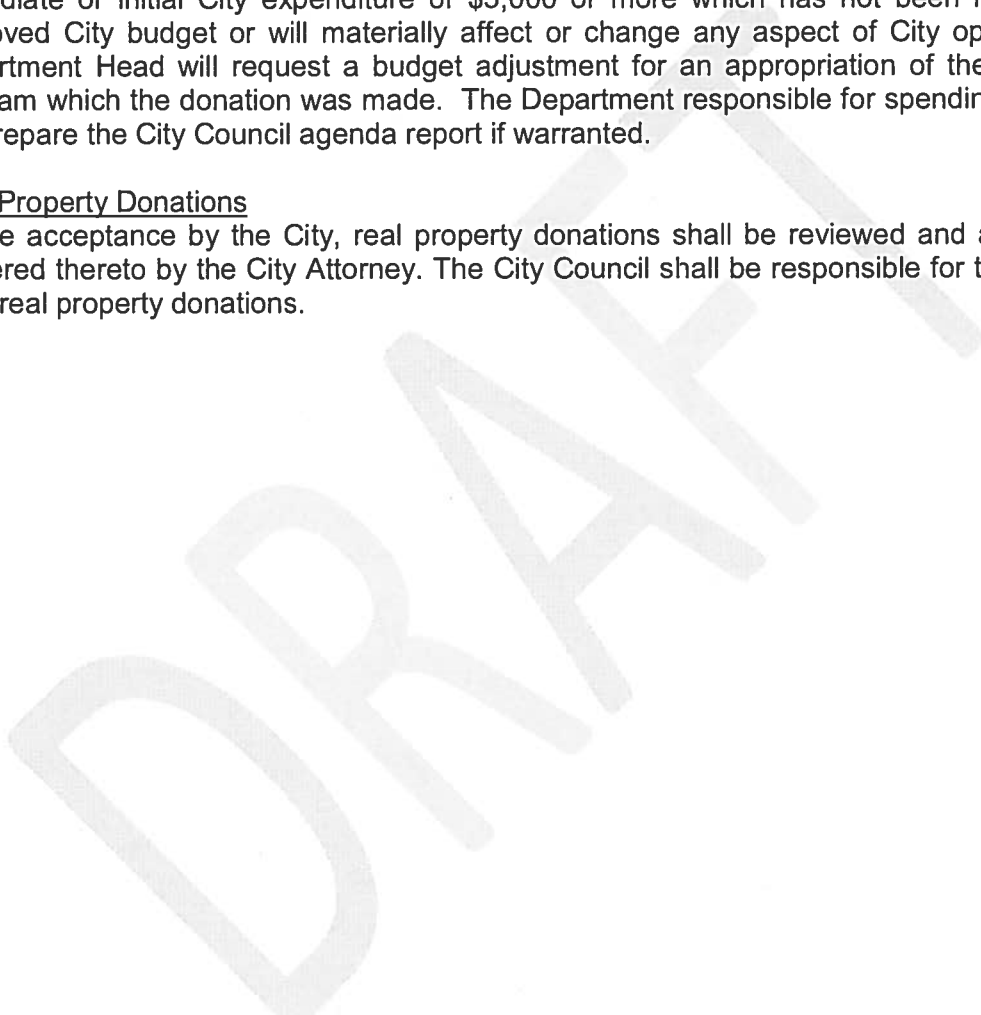
CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Donations</p>	Effective Date:
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For donations less than \$5,000, the Finance Department will forward the donation to the City Manager for review of the conditions of the restrictive donations and determine if the benefits to be derived warrant the acceptance of the donations. Accepted donations will be deposited in the appropriate fund for future expenditure on the restricted purpose. Unaccepted donations will be returned to the donor.

The City Council shall be responsible for accepting all restricted donations which create an immediate or initial City expenditure of \$5,000 or more which has not been included in the approved City budget or will materially affect or change any aspect of City operations. The Department Head will request a budget adjustment for an appropriation of the funds for the program which the donation was made. The Department responsible for spending the donation will prepare the City Council agenda report if warranted.

Real Property Donations

Before acceptance by the City, real property donations shall be reviewed and a legal opinion rendered thereto by the City Attorney. The City Council shall be responsible for the acceptance of all real property donations.



CITY OF EASTVALE Finance Policy	Policy No:
Subject Fixed Assets	Effective Date:
	Page 1 of 4

Purpose:

The purpose of this policy is to ensure adequate control and appropriate use of the City's fixed assets. The procedures contained herein define fixed assets and establish guidelines for their purchase, use, accounting, inventory, transfer, disposal and replacement.

Policy:

It is the policy of the City of Eastvale that fixed assets be properly accounted for and used for appropriate City uses. It is the responsibility of City Department Heads to ensure that:

- The Purchasing Policy is followed;
- Fixed assets are adequately controlled and used appropriately; and
- The Finance Department is notified when fixed assets are acquired, transferred or otherwise subject to disposal.

It is the responsibility of the Finance Department to ensure that fixed assets are to be financially managed to meet the following criteria:

- The financial management of the assets is to be in compliance with generally accepted governmental accounting principles;
- The financial reporting of the assets will be in compliance with Governmental Accounting Standards Board (GASB) Statement 34;
- Fixed assets which are "movable" in nature (i.e., equipment and furniture) will be marked with an inventory tag which will be reviewed and verified by the department using the asset and accounted for in the Finance Department;
- Equipment replacement records and schedules are maintained so that funding will be available wherever possible to replace obsolete, outdated and worn-out equipment.

Compliance:

The City Manager is authorized to grant exceptions to specific provisions on a case-by-case basis within the intent of the overall policy.

It is the intention of the City that the valuation and disclosure of all city assets be in accordance with all Governmental Accounting Standards Board Statements and Generally Accepted Accounting Principles. It is the responsibility of the Finance Department to ensure that the City's financial records remain in compliance with these requirements. The Finance Department is authorized to adjust its procedures to maintain this compliance as the Governmental Accounting Standards Board Statements and Generally Accepted Accounting Principles may change from time to time.

General Provisions:

"Fixed" regular assets defined as items of capital expenditure (equipment, computers, vehicles, etc.) which have a cost greater than \$5,000, and a useful life longer than one year, will be subject to accounting and reporting (capitalization). Specific capitalization requirements are described below:

CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Fixed Assets</p>	Effective Date:
	Page 2 of 4

- All costs associated with the purchase should be considered, including ancillary costs such as freight and transportation charges, installation charges, professional fees, and legal costs directly attributable to asset acquisition.
- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- The capitalization threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor, and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.
- Replacement is accounted for per piece. For example, should a monitor be replaced due to upgrading then the purchase price of the monitor is used to capitalize that item.
- Repairs to fixed assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, it represents an improvement and is subject to the capitalization policy and should be evaluated separately.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. In theory, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.
- Land, structures and improvements, and infrastructures that have a cost greater than \$50,000 will be subject to accounting and reporting (capitalization). All costs associated with the purchase, construction, site preparation expenditures, professional fees, and legal costs directly attributable to asset acquisition should be considered. Capital projects will be capitalized as "construction in progress" until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.

Depreciation

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure-Bridges	65 years
Infrastructure-Curb and Gutter	50 years
Infrastructure-Sidewalks	50 years
Infrastructure-Storm Drains	50 years
Buildings	50 years

CITY OF EASTVALE Finance Policy	Policy No:
Subject <p style="text-align: center;">Fixed Assets</p>	Effective Date:
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Infrastructure-Streets	40 years
Infrastructure-Signs and Posts	15 years
Infrastructure-Traffic Signals	10 years
Infrastructure-Striping	7 years
Improvements	10 years (or the life of the leasehold if less than 10 years)
Software	7 years
Equipment	5 years

Depreciation shall be calculated at half of a year (0.5) years during the first year of the asset's acquisition or completion.

Procedures:

The Finance Department is responsible for categorizing expenditure for assets generally into the following categories:

- Land Acquisition
- Infrastructure
- Improvements
- Software
- Equipment (including Furniture)
- Repairs

All of the above assets are to be capitalized with the exception of repairs which do not prolong the life of the asset. The accounting procedures used for identification, classification and, where appropriate, depreciation of these assets will be those in conformity with Generally Accepted Accounting Principles as they apply to government.

"Improvements" generally refer to buildings and infrastructure assets which either increase the value or prolong the useful life of the asset beyond the original life established at construction.

"Equipment" is differentiated from infrastructure assets by both size and, generally, mobility. Because of these issues, equipment shall be subject to inventory control which includes the application of a number tag on each piece of equipment meeting these criteria. The management of the inventory control system will be the responsibility of the Finance Department.

Disposal of Assets:

Transfers of Equipment

It is in the City's best interest to use its fixed assets for the best and highest use at all times. Some assets, which may have outlived their useful lives for the purpose for which they have been originally acquired, may have residual use in another capacity in another City Department. Equipment which has been replaced (using Fixed Asset Replacement Funds) and transferred

CITY OF EASTVALE Finance Policy	Policy No:
Subject Fixed Assets	Effective Date:
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from one department to another is routinely removed from the Fixed Asset Replacement Schedule.

Surplus, Sale, Disposal and/or Destruction of Fixed Assets

Periodically, equipment which has become obsolete, broken or otherwise unusable needs to be disposed of. It is the individual department's responsibility to notify the Finance Department to authorize the surplus, disposal, or recycle of said equipment. It is the responsibility of the Finance Department to dispose of all such property, update the City's fixed asset records and record the transaction in accordance with the asset's remaining useful life and residual value.

Upon the sale of any fixed assets, any proceeds will be returned to the General Fund or to the fund which acquired the assets in the first place unless federal or state law precludes this and requires a specific use of the money.

DRAFT

CITY OF EASTVALE Finance Policy	Policy No:
Subject Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54	Effective Date:
	Page 1 of 4

Purpose:

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. The fund balance policy also establishes a mechanism to provide a classification of fund balance.

The fund balance policy is established to ensure that the City's finances are managed in a manner which will (1) continue to provide for the delivery of quality services, (2) maintain and enhance service delivery as the community grows in accordance with the general plan, (3) guarantee a balanced budget annually assuring the City is living within its means, and (4) establish the reserves necessary to meet known and unknown future obligations.

Policy:

This fund balance reserve policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The City's General Fund fund balance committed for emergency contingencies is established at six months or 50% of annual regular General Fund operating expenditures in any fiscal year in which recurring sources exceed recurring uses in the General Fund. The City Council may, by the affirming vote of three members, change the amount of this commitment and/or the specific uses of these monies.

Procedure:

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- Nonspendable fund balance - inherently nonspendable (example: prepaid expenses)
- Restricted fund balance - externally enforceable limitations on use (example: grant funds received for a particular expenditure)
- Committed fund balance - self-imposed limitations on use (example: 50% of annual expenditures set aside for disasters)
- Assigned fund balance - limitation resulting from intended use (example: City Council approved capital projects)
- Unassigned fund balance - residual net resources (example: budget shortfall reserve)

CITY OF EASTVALE Finance Policy	Policy No:
Subject Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54	Effective Date:
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Non-spendable Fund Balance

Non-spendable fund balance includes amounts that cannot be spent because they are not in a spendable form, such as inventories or because the amounts are legally or contractually required to be maintained intact. Other examples are as follows:

- *Prepaid items:* The portion of fund balance that represents the asset amount of prepaid expenditures, held by a given fund.
- *Advance to other funds:* The portion of fund balance that represents the asset amount of cash advanced to other funds, held by a given fund.
- *Notes and Loan Receivable:* The portion of fund balance that represents the asset amount of loans receivable, held by a given fund.
- *Land Held for Resale:* The portion of fund balance that represents the asset amount of land inventory that is being held for resale, held by a given fund.

Restricted Fund Balance

Restricted fund balance are funds that are externally constrained by either creditors, grantors, other governments or legally enforceable requirement which mandates that the resources be used for a particular purpose specified in the legislation. Examples of restricted fund balance are as follows:

- *Debt Service:* The portion of fund balance derived within a given fund that has been set aside for debt payments.
- *Street Maintenance:* The portion of fund balance derived from fees, grants, or taxes collected to be used for funding street planning and projects.
- *Community Development:* The portion of fund balance derived from grants received to be used for development of community as required by grant documents/agreements.
- *Public Safety Program:* The portion of fund balance derived from grants, taxes and fees received to be used for public safety.
- *Lighting and Landscaping:* The portion of fund balance derived from fees and/or taxes collected to be used for lighting and landscaping maintenance in lighting, landscaping, and signal assessment districts.
- *Capital Improvement Projects:* The portion of fund balance derived from fees or grants collected to be used for future development.
- *Fund Balance – Restricted:* The portion of fund balance that is in any non-general fund governmental fund that is restricted under the “Restricted Fund Balance” definition as

CITY OF EASTVALE Finance Policy	Policy No:
Subject Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54	Effective Date:
	Page 3 of 4

prescribed by Governmental Accounting Standards Board Statements No. 54 and not otherwise defined in this category above.

Committed Fund Balance

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

- *General Fund Emergency Contingency:* The portion of fund balance that is set aside for disaster emergency contingency to be used when there is a declaration of an emergency.
- *Fund Balance – Committed:* The portion of fund balance that is in any nongeneral fund governmental fund that is committed under the “Committed Fund Balance” definition as prescribed by Governmental Accounting Standards Board Statements No. 54 and not otherwise defined in this category above.

Assigned Fund Balance

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Finance Director for the purposes of reporting these amounts in the annual financial statements.

Unassigned Fund Balance

Unassigned fund balance is residual net resources of the fund balance in excess of what can properly be classified in one of the other four categories.

- *Economic Uncertainties:* the portion of fund balance that is set aside as the City's emergency or “rainy day” fund.
- *Compensated Absence:* used to account for that portion of fund balance that is being set aside for accrued compensated absences.
- *Fund Balance:* Any portion of General Fund fund balance that does not fall under any of the fund balance definitions presented above.

Fund Balance Classification

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts

CITY OF EASTVALE Finance Policy	Policy No:
Subject Fund Balance Policy and Classification of Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement No. 54	Effective Date:
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in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

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CITY OF EASTVALE Finance Policy	Policy No:
Subject Month End Closing Procedures	Effective Date:
	Page 1 of 1

Purpose:

The purpose of this policy is to maintain complete and accurate accounting records for the City of Eastvale.

Policy:

It is the policy of the City of Eastvale that the Finance Department will close the financial records at the end of each month. This closing will allow for all transactions for the month to be recorded in the City's financial records.

Procedure:

Journal entries:

Journal entries are the responsibility of the Deputy Finance Director in the Finance Department. Journal entries can occur at the request of another department if there is a need for a correction to the accounting records or can be requested by the Deputy Finance Director during the month end closing process.

In order to process a journal entry, adequate support documentation must be provided to the Deputy Finance Director to support the request. Typical journal entries include: corrections to expenditures or revenues that occurred during the initial processing, insufficient funds, credit card fees, recording of investment activity, and bank charges.

The Deputy Finance Director prepares the monthly journal entries. The Finance Director reviews and approves the journal entries. Once the journal entries are approved by the Finance Director, the Deputy Finance Director posts the journal entries and attaches the journal entry proof list to the journal entry. The same procedures are done for the year end journal entries.

Bank Reconciliation:

The Deputy Finance Director reconciles the monthly bank statements. The Finance Director reviews and approves the bank reconciliations.

CITY OF EASTVALE Finance Policy	Policy No:
Subject Payroll Procedures	Effective Date:
	Page 1 of 2

Purpose:

The purpose of this policy is to ensure that all City employees are paid accurately and on-time.

Policy:

It is the policy of the City of Eastvale to pay all City employees on a bi-weekly basis.

General Information:

The City processes payroll on a bi-weekly basis with twenty six (26) pay periods each calendar year. Each payroll cycle will consist of a two week period beginning on a Sunday and ending on a Saturday. Pay day will be the Friday following the close of the period and is paid on Friday. Council Members are paid a monthly stipend and are paid on the first pay period of the month.

New Hires and Employee Changes:

The Finance Department provides all applicable personnel forms to each new employee. This includes: IRS Form W-4, health insurance authorization forms and direct deposit authorization form. The Finance Director, or his designee, prepares Personnel Action Form (PAF) for all newly hired employees. Personnel Action Forms are also required for any employee changes including, but not limited to, position change, salary increase, benefit change, etc. The PAF identifies programs and account numbers the employee's time will be charged and must be approved by the City Manager, Finance Director, Department Head, and Personnel Department. Finance Staff enters new employee data into the payroll system. The Finance Director, or his designee, reviews the entries (additions, deletions and changes) for completeness and accuracy.

Timecards:

A hard copy timesheet is required for all employees, excluding council members and City Manager. Each employee prepares a timesheet with their time worked for the pay period. Each timesheet is approved by the Department Head each pay period. All employee time off is documented with a request for time off form. The timesheets are provided to Finance and the Deputy Finance Director verifies the data. Hours worked are entered into the payroll system on an exception basis. Only hours other than the regular hours are entered for each full time regular employee. Examples of hours other than regular hours are vacation, sick, overtime, etc. For part time employees, the actual hours worked are entered into the payroll system. The Deputy Finance Director verifies the timesheet input before processing the paychecks. The City Manager reviews work for completeness and accuracy. Once City Manager approval has been obtained, the Deputy Finance Director processes the pay checks.

Each City Council Member receives a stipend for attending Council meetings and a timesheet is not required. Commissioners are exempt from payroll. All commissioner stipends are processed through accounts payable.

Deductions

Any benefit/insurance deductions associated with payroll will be withheld from the first and second paycheck of each month. Cafeteria cash outs will occur on the second paycheck of each month. With bi-weekly pay periods, there are two months during the year that a third pay

CITY OF EASTVALE Finance Policy	Policy No:
Subject Payroll Procedures	Effective Date:
	Page 2 of 2

check will be received. There will not be any benefit/insurance deductions on the third paycheck of a month.

Payroll Reports:

At the end of the payroll process, the following reports are reviewed and filed by the Deputy Finance Director:

- Labor Distribution Report
- Payroll Summary Report
- Check Register
- Tax Liability vs. Deposits Report
- Accrual Balance Report

Issuance of Paychecks:

After all entries have been verified and corrected if needed, payroll checks are processed. The paychecks are scanned and kept in the safe until payday. The Finance Department distributes the pay stubs to all employees. All paystubs are distributed the Monday following pay day.

The only instance when a check is issued prior to the regular payday is at termination. The final check is issued on the termination day. The Deputy Finance Director prepares and processes the final paycheck including payoff for unused vacation and any other vested leave after receipt of the approved PAF and approved timesheet. The City Manager reviews the calculations and proof list before the paycheck is cut.

Reconciliation of Bank Account:

The semi-monthly payroll is recorded to the City's Financial System through the journal entry process using the labor distribution report. The monthly payroll is reconciled to the City's general checking account by the Finance Department Staff and reviewed and approved by the Finance Director.

CITY OF EASTVALE Risk Management Policy	Policy No:
Subject Claims Procedures	Effective Date:
	Page 1 of 1

Purpose:

To establish a uniform policy for the efficient handling of all types of liability claims.

Policy:

All accidents or incidents involving property damage, bodily injury or potential City liability shall be reported immediately to the supervisor and City Clerk department. The incident report is to be retained on file in the City Clerk department.

The City Clerk shall be the recipient of all Claims, Summons and Applications for Leave to Present Late Claim (Ref. G.C. Section 916).

Procedures:

Claimant has six months from the date of incident to file a claim against the City (Ref. G.C. Section 911.2). The following procedure shall apply to all claims that are presented within this time.

1. Affix date stamp on upper right corner of claim document.
2. Set up a claim file with the City Claim number.
3. Check to see if an incident report was prepared.
4. Contact the department involved for any background reports and information.
5. Forward a copy of the claim and incident report with original transmittal letter to the Claims Administrator.
6. Copies to City Attorney.
7. The original claim, incident report and transmittal letter is retained in City Clerk files.
8. After recommendation is received from the Claims Administrator either send a claim rejection letter (City Manager signature) or process a settlement check. City Manager has \$10,000.00 settlement authority.

City has 45 days after the claim has been presented to accept or reject a claim.

CITY OF EASTVALE Risk Management Policy	Policy No:
Subject Workers' Compensation & Reporting Procedures/Forms	Effective Date:
	Page 1 of 2

Purpose:

To establish uniform procedures for reporting work-related injuries or illnesses.

Policy:

Employees or staff that becomes injured as a result of their job may be entitled to workers' compensation benefits. This policy ensures that all City employees who experience a work related injury or illnesses are properly treated and the appropriate documentation has been completed pursuant to the California workers compensation law.

Procedures:

All newly hired employees will be notified in writing of their right to workers' compensation benefits in the case of a job related injury or illness. On their date of hire, employees will receive "New Employees Guide to Workers' Compensation." When an injury or illness is sustained, the following steps will be taken:

Step 1 – First Aid/Medical Treatment

When an employee has been injured at work, the supervisor should determine whether he/she will need assistance. If first aid treatment is required, the supervisor should direct the employee to the nearest first aid station.

If the injury requires medical attention by a physician, the supervisor should contact the Personnel Department who will contact the City's industrial medical facility (supervisor's also have the authority to contact the clinic themselves if no one in Personnel is available).

Medical results after examination by a physician will be provided to the employee and the Personnel Department. If the injury is more serious and will require the paramedics, the employee or supervisor should call 911 immediately and then contact the Personnel Department.

Industrial Medical Facility
Centra – Ontario Urgent Care
1101 S. Miliken Avenue, Suite C
Ontario, CA 91761
7am-6pm
(909) 390-2799 - phone
(909) 390-0929 - fax

Hospital Facility for Emergency and After Hour Care
Corona Regional Medical Center
800 S. Main Street
Corona, CA 92882
(951) 737-4343

CITY OF EASTVALE Risk Management Policy	Policy No:
Subject Workers' Compensation & Reporting Procedures/Forms	Effective Date:
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Step 2 – Employee’s Claim for Worker’s Compensation Benefits

The Personnel Department will provide the injured employee with a copy of the “Workers’ Compensation Claim Form” (see attached) and advise the employee to complete this form as soon as possible to protect his/her rights. This form will be provided to the injured employee within one working day of knowledge of the injury. Upon completing this form, the employee should retain one copy and give the one copy to the Personnel Department.

NOTE: This form should be completed for all work-related injuries and illnesses.

Step 3 – Employee Report of Injury or Occupational Illness

Within five working day of knowledge of the injury, the employee must complete the Employee Report of Injury or Occupational Illness as follows:

Part1 Injury or Illness Information - should be completed by the injured employee.

Part 2 Statement of Supervisor - should be completed and signed by the supervisor.

Part 3 Statement of Witnesses – should be completed, if applicable, by any witnesses.

Once completed, return the form to the Personnel Department. This form is used to complete necessary paperwork to the State of California and the City’s Worker’s Compensation administrator.

THE ABOVE MENTIONED FORMS SHOULD BE FILLED OUT COMPLETELY AND FORWARDED TO THE PERSONNEL DEPARTMENT AS SOON AS POSSIBLE.

The City’s Worker’s Compensation Administrator is:

State Compensation Insurance Fund

P.O. Box 65005

Fresno, CA 93650

(888) 782-8338 – phone

(800) 371-5905 - fax



City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: CAROL JACOBS, CITY MANAGER

SUBJECT: AWARD OF STRATEGIC PLAN TO APPLIED DEVELOPMENT ECONOMICS

RECOMMENDATION: AWARD STRATEGIC PLAN TO APPLIED DEVELOPMENT ECONOMICS IN THE AMOUNT OF \$39,860

BACKGROUND:

On November 1, 2012, the City issued a Request for Proposals for a Strategic Plan. The purpose of the plan is to provide the City with a guiding document setting priorities for the next five years. Proposals were due to the City on December 6, 2012. The City Council appointed an ad hoc committee to review the proposals. The Committee consisted of the Mayor Pro Tem Rush, Council Member Howell, City Manager, City Attorney, Finance Director and Public Information Officer.

DISCUSSION:

The Strategic Plan is a major undertaking of the City Council and community. The RFP identified required meetings with stakeholders in the Community. In order for this process to be successful, the recommended consultant not only has to have the required experience, but a rapport that will fit in with the City Council and the community.

Responses were received on December 6, 2012. The Ad Hoc Committee reviewed the nine applications to determine which firm might best fit the needs of the City. The top three firms were invited to interviews to discuss their proposals in more depth.

After the interview process, the Ad Hoc Committee recommends Applied Development Economics to perform the Strategic Plan for the City. Their experience and approach best fit the needs of the City. The review committee felt that the proposal included a strong economic development component as well as a branding effort. Staff is of the opinion that a secondary economic development plan will not be necessary as this will be completed within the scope of the project.

FISCAL IMPACT:

Funds are available from the City's General Fund Contingency Account.

ATTACHMENTS:

1. Professional Services Agreement
2. Proposal

Prepared by: Carol Jacobs, City Manager

Reviewed by: Carol Jacobs, City Manager

John Cavanaugh, City Attorney

PROFESSIONAL SERVICES AGREEMENT

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") is made and entered into this January 9, 2013, by and between the City of Eastvale ("City") and **Applied Development Economics** ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

This Agreement shall commence on January 10, 2013 and continuing thereafter through May 31, 2013, or unless sooner terminated by the parties as set out in Section 18 below.

SECTION 2. SCOPE OF SERVICES.

CONSULTANT agrees to perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" "FEE SCHEDULE" and made a part of this AGREEMENT.

SECTION 3. ADDITIONAL SERVICES.

CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", "FEE SCHEDULE" unless such additional services are authorized in advance and in writing by the Council or City Manager. CONSULTANT shall be compensated for any such additional services in the amounts and in the manner agreed to by the Council or City Manager.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBITS "A".

(b) Each month CONSULTANT shall furnish to CITY an **original** invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts and miscellaneous expenses. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by CONSULTANT which are disputed by CITY, CITY will use its best efforts to cause CONSULTANT to be paid within thirty (30) days of receipt of CONSULTANT's invoice.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT.

(e) No member of the City Council shall have any personal responsibility or liability for payment of any fees or costs incurred under this AGREEMENT.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work within Sixty (60) days after submitted to CITY. CITY shall reject work by a timely written explanation, otherwise CONSULTANT's work shall be deemed to have been accepted. CITY's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 14 and 15, pertaining to indemnification and insurance, respectively.

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original studies, assessments, reports, data, notes, computer files, files and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original studies, assessments, reports, data, notes, computer files, files and other documents.

SECTION 7. CONSULTANT'S BOOKS AND RECORDS.

(a) CONSULTANT shall maintain any and all documents and records Demonstrating or relating to CONSULTANT's performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

SECTION 8. STATUS OF CONSULTANT.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY nor any elected or appointed boards, officers, officials, employees or agents of CITY shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither CONSULTANT, nor any of CONSULTANT's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

SECTION 9. STANDARD OF PERFORMANCE.

CONSULTANT represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. CONSULTANT shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

SECTION 11. NONDISCRIMINATION.

CONSULTANT shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this AGREEMENT.

SECTION 12. CONFLICTS OF INTEREST.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 13. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager, except as may be required by law.

(b) CONSULTANT, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

(c) If CONSULTANT, or any officer, employee, agent or subcontractor of CONSULTANT, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from CONSULTANT for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of CONSULTANT's conduct.

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing or similar proceeding. CONSULTANT

agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

SECTION 14. INDEMNIFICATION.

(a) CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend, protect and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by the CONSULTANT's performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT's expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under Section 15 shall ensure CONSULTANT's obligations under this section, but the limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY's sole negligence or willful acts or omissions.

SECTION 15. INSURANCE.

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

B. Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance

complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and authorized volunteers for loss arising from work performed under this Agreement.

C. Commercial General
Automobile Liability Insurance.

General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage, for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 or GL 0002 (most recent editions) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 8 and 9. No endorsement shall be attached limiting the coverage.

Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- b. Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

D. Professional Liability Insurance.

General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed \$150,000 per claim.

Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The City shall have the right to exercise, at the Consultant's sole cost and expense, any extended reporting provisions of the policy, if the Consultant cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

E. All Policies Requirements.

Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall furnish City with Certificates of Insurance, and upon request, complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

Notice of Reduction in or Cancellation of Coverage. A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified, mail, return receipt requested, has been given to the City. In the event that any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Consultant shall provide written notice to City at Consultant's earliest possible opportunity and in no case later than ten (10) working days after Consultant is notified of the change in coverage.

Additional insured; primary insurance. City and its officers, employees, agents, and authorized volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant, as applicable; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by the Consultant in the course of providing services pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or authorized volunteers.

A certified endorsement must be attached to all policies stating that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

Deductibles and Self-insured Retentions. Consultant shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of City Manager or designee, Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The City Manager or designee may condition approval of an increase in deductible or self-insured retention levels with a requirement that Consultant procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Variation. City Manager or designee may approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

SECTION 16. ASSIGNMENT.

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

SECTION 17. CONTINUITY OF PERSONNEL.

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT. CONSULTANT shall notify CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

SECTION 18. TERMINATION OF AGREEMENT.

(b) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to CONSULTANT. In the event such notice is given, CONSULTANT shall cease immediately all work in progress.

(c) CONSULTANT may terminate this AGREEMENT at any time upon thirty (30) days written notice of termination to CITY.

(d) If either CONSULTANT or CITY fails to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, either CONSULTANT, or CITY may terminate this AGREEMENT immediately upon written notice.

(e) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

SECTION 19. DEFAULT.

In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

SECTION 20. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", "FEE SCHEDULE" shall be furnished to CONSULTANT in every reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

SECTION 21. NOTICES.

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY: City of Eastvale
12363 Limonite Avenue, Suite 910
Eastvale, CA 91752
Attn: Carol Jacobs, City Manager

To CONSULTANT: Applied Development Economics
255 Ygnacio Valley Road, Suite 200
Walnut Creek, CA 94596
Attn: Doug Svensson, President

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 22. AUTHORITY TO EXECUTE.

The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

The City Council has authorized the undersigned to execute this AGREEMENT.

SECTION 23. BINDING EFFECT.

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

SECTION 24. MODIFICATION OF AGREEMENT.

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 25. WAIVER.

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

SECTION 26. LAW TO GOVERN; VENUE.

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Riverside.

SECTION 27. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 28. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBIT "A" are the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 29. SEVERABILITY.

If any term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

CITY OF EASTVALE

CONSULTANT:

By _____
Ike Bootsma, Mayor

By _____
Doug Svensson, President

ATTEST:

Ariel Berry, Assistant City Clerk

APPROVED AS TO FORM:

John Cavanaugh, City Attorney



DECEMBER 2012

PROPOSAL

CITY OF EASTVALE STRATEGIC PLAN

Submitted by:

APPLIED DEVELOPMENT ECONOMICS

Doug Svensson, President
100 Pringle Avenue, Suite 560
Walnut Creek, CA 94596
925.934.8712
www.adeusa.com

In Association with:

**THE PLACEMAKING GROUP
CARNEY ASSOCIATES, LLC**





December 5, 2012

Carol Jacobs, City Manager
City of Eastvale
12363 Limonite Avenue, Suite 910
Eastvale, CA 91752

Dear Ms. Jacobs:

We are pleased to submit this proposal to prepare a Strategic Plan for Eastvale. We have been working with communities throughout the Western US for more than 25 years to develop strategic plans that not only reflect the communities' character and vision but also are well grounded in their economic and fiscal realities.

We believe the City has done a great job setting up its basic organizational capacity and adopting a general plan that reflects a lot of the City's vision and key concerns. The role of the strategic plan is to consider the broader mission of the City and to identify an appropriate sequence of steps to move the overall City organization toward the achievement of goals and objectives over the next five years. Hence, the strategic plan will be more action oriented and more integrated with the City budgeting process than the General Plan. In addition, the strategic plan provides an opportunity for the City to consider best practices and expertise from other communities that have evolved from a similar state as Eastvale finds itself today.

The ADE team is exceptionally well equipped to help the City evaluate its options and identify the best strategic course of action for its next five year horizon, as well as laying the foundation for its longer term vision. Our team will be managed by Doug Svensson, ADE President, who has more than 30 years' experience in community planning, economic development, and public finance. Mr. Svensson is especially skilled in local fiscal policy and will focus on the funding aspects of the strategic plan. In addition, ADE Principal Trish Kelly has extensive experience working with communities within larger urban environments, including newer cities. She managed the Quality of Life Plan we recently completed for the City of Temecula and has worked with the Western Riverside COG along with our Senior Associate, Carleen Bedwell. Our firm has extensive experience with visioning and strategic planning, particularly working with elected officials, staff, residents, community partners, and leadership organizations in a dynamic and inclusive facilitation process leading to effective implementation.

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QUALIFICATIONS

PROJECT TEAM

Our project team consists of three firms: Applied Development Economics, the Placemaking Group, and Carney Associates, LLC. We have all worked together on similar projects before and have developed an excellent working relationship highlighting our diverse skills and expertise. ADE will be the lead on the project and will be responsible for managing the process and for all final products. The Placemaking Group will focus on public and stakeholder outreach and synthesizing the wide range of input from the visioning process. Bill Carney will assist ADE in framing the goals and objectives for the strategic plan and developing detailed action plans for City departments. Bill is located nearby in Southern California and has extensive experience in economic development organizations in addition to his civic background.

This initial section provides a brief description of our firm and personnel, as well as specific project experience and references.

Applied Development Economics, Inc. (ADE) is a consulting firm specializing in economic planning and development services. Since its founding in 1985, the firm has established a distinguished body of work resulting in tangible benefits for our clients. Our base of private- and public-sector clients includes government agencies, economic development organizations, foundations, research institutes, businesses, and private investors. ADE's services include:

PLANNING SERVICES

- Strategic Planning
- General and Specific Plan Preparation
- Downtown Revitalization

ECONOMIC DEVELOPMENT SERVICES

- Economic and Market Research
- Industry Cluster-based Economic Development
- Business Attraction and Retention Strategies
- Marketing Plans and Implementation
- Real Estate Feasibility Analysis
- Tourism Analysis

Salinas as well as the Rancho San Juan Specific Plan in Monterey County. He developed a fiscal model for the City of Newport Beach which gives City staff the ability to evaluate fiscal effects of major development projects first hand. He has worked in a number of settings to devise financing programs for regional parks, community facilities and tourism development programs and recently completed a new assessment district for the City of South Lake Tahoe.

Mr. Svensson obtained his bachelor's degree from the U.C. Santa Barbara, where he was a Regent Scholar and he holds a master's degree in city and regional planning from the U.C. Berkeley with an emphasis in housing and economic development. He is a member of the American Planning Association and the American Institute of Certified Planners.

TRISH KELLY, PRINCIPAL

Ms. Kelly is an economic development planner with more than thirty years of experience in research, policy analysis, and strategic planning in economic and workforce development, including in the areas of innovation, infrastructure, sustainability, and quality of life indicators. She has prepared economic vitality strategies for communities throughout California, documented best practices and models for economic prosperity, and authored numerous reports on the economy. Ms. Kelly is also an experienced facilitator.

Many of Ms. Kelly's projects involve engagement of community stakeholders and partners during strategic planning processes, including through interviews, focus groups, networking, and use of social media, building on a strong analytic foundation. Most recently, Ms. Kelly was the project director leading ADE's preparation of the Regional Industry Cluster Economic Plan for the San Joaquin Valley working with community leaders, economic development organizations, educational institutions and a wide range of collaborating partners across the Valley to develop the plan and engage them in the next stage of implementation, now underway. She also led a two year planning process with the City of Temecula to prepare its innovative 2030 Quality of Life Master Plan, which was adopted by the City in the fall of 2011 and serves as its overall strategic plan and guide for its budget process.

Ms. Kelly is working as a consultant on several projects that engage many stakeholders in community planning process for long-term economic vitality and quality of life. She serves as a consultant to several regional broadband consortia, comprised of local jurisdictions and diverse partners, working to improve broadband infrastructure, access and adoption for "smart communities," as a competitive economic asset. She serves as consultant to Valley Vision, a six county regional consortium, working on the Next Economy project, the region's five-year prosperity strategy.

Ms. Kelly is a consultant to the California Strategic Growth Council (SGC), serving as the project director for the *California Regional Progress Report*, the State's first region-based statewide indicators report which supports the SGC's objectives to promote livable and healthy communities. The report addresses policy issues for each region's critical planning challenges related to transportation and land use, economic competitiveness and housing, environmental quality, public health and natural energy resource usage. The Project involves coordination with regional planning agencies including the Western Riverside Council of Governments.

MIRIAM SCHAFFER, Account Manager, The Placemaking Group

Miriam has developed and implemented marketing/PR plans for economic development and visitor attraction programs for cities and towns including: Atascadero, Carlsbad, Danville, Fairfield, Suisun City, downtown Napa, Saratoga and San Leandro. She has worked on campaigns for downtown Napa's Cajun Festival, Fairfield's Tomato Festival and Sacramento's Gold Rush Days.

Miriam's media relations and social media experience has resulted in stories for clients appearing in local, regional and national publications.

Prior to working in the marketing communications field, she was a news and talk show television producer in San Francisco.

CARNEY ASSOCIATES

BILL CARNEY, Principal

Bill Carney founded CARNEY Associates LLC in 2008 following a 30-year career leading regional economic development, business and trade organizations in California. For 25 of those years he served in the capacity of president and chief executive officer. During his career, he directed a wide variety of initiatives in business attraction and retention, regional marketing, small business assistance and small business lending. His portfolio of economic development practices and successes include:

- The recruitment and retention of major industrial and commercial employers
- Direction of three Small Business Development Centers
- Management of Certified Development Centers (SBA 504 lending) and revolving loan funds
- Attracting direct foreign investment
- Management of film and tourism commissions
- Public policy advocacy for regional competitiveness in areas of transportation, energy, water and workforce
- The successful turnaround of two regional economic development organizations through strategic and fiscal planning and implementation

Bill Carney is a nationally recognized leader in economic development. He served as the chairman of the board of the California Association for Local Economic Development (CALED) and as chairman of TeamCalifornia. He was also the founding chairman of the Center for Public Policy Studies at CSUS.

Prior to entering the field of economic development, Carney spent nearly 10 years in Europe with a major U.S. manufacturer with assignments in Italy, France and the U.K.

He holds a bachelor's degree in government from the University of Redlands.

base and fiscal position. The Strategic Plan provided a baseline assessment of the existing conditions that drive the economy in Cerritos, identifying the community's role in a transitioning economic environment. Information obtained throughout the plan preparation and research process was used to develop a set of strategic recommendations that identified business development opportunities and programs that would address these opportunities, while addressing the upcoming fiscal challenges. In addition, the plan identified actions for the City to implement a business retention program and potentially form an economic development corporation.

ATASCADERO ECONOMIC DEVELOPMENT STRATEGY

The City of Atascadero is located in San Luis Obispo County, half way between San Francisco and Los Angeles near the picturesque Central California Coast. The City commissioned ADE to prepare an economic development strategy that would involve extensive public input and reflect the community's quality of life values and priorities. The City was unable to reach consensus on growth and development, sparked by a proposal from Wal-Mart to locate within City boundaries. ADE designed and implemented a comprehensive public input process that involved a household survey, community focus groups, a public forum, extensive interviews with community stakeholders, and a new economic development web site. The outcome of this thorough approach to public input was a complete turn-around in public opinion in favor of economic sustainability programming and moving forward on redevelopment and economic development projects.

ALAMEDA (CITY OF) ECONOMIC DEVELOPMENT STRATEGY

Alameda is a Bay Area community affected by the closure of the Alameda Naval Air Station. The vacant Navy Base is now prime real estate with spectacular views of San Francisco. Due to the magnitude of the closure, the city has invested a substantial amount of resources into reusing the real estate at the naval air station. Accordingly, other parts of the city were becoming neglected. The city created a blue-ribbon task force to work with ADE to develop future strategies for each major commercial district in the city. The firm worked closely with city staff to identify the staff and financial resources needed to implement the strategy. The economic development strategic planning process included the development of an approach to revitalize retail business, attract business park users, and focus on investing redevelopment tax increment revenues.

CAPITOLA ECONOMIC DEVELOPMENT STRATEGIC PLAN

The City of Capitola has served a long established role as a tourist destination and a regional retail center for Santa Cruz County residents. As part of a strategic planning process, ADE analyzed Capitola's evolving role as a tourism and regional retail center, and identified potential economic diversification opportunities in these and other sectors. The background studies for the project also included assessments of potential development sites for certain types of uses. The final strategic plan included strategic goals and implementation measures built around enhancing Capitola's viability as an economic center and maintaining its uniqueness as a community.

the remaining commercial and industrial property within the City in a way that would enable the City to meet its service obligations and enhance the overall character of the community. ADE's work on this project involved a number of interrelated components, including retail market analysis, industrial and commercial market and target industry analysis, fiscal impact analysis, and an implementation strategy.

LAKE TAHOE BASIN PROSPERITY PLAN

ADE prepared the Lake Tahoe Basin Prosperity Plan involving five counties in California and Nevada, the City of South Lake Tahoe, and the Tahoe Regional Planning Agency as well as business associations and education institutions. Despite its idyllic natural environment, the Lake Tahoe Basin has suffered significant economic decline over the past decade. This has not only created social and fiscal dislocations in the region, but also threatens to hamper efforts to improve lake clarity and other environmental values in the Basin. The economic analysis ADE conducted for the plan identified three economic clusters comprising two-thirds of the Basin economy – Visitor Services, Environmental Innovation, and Health and Wellness. Led by a diverse project steering committee representing all of the local government jurisdictions in the Basin as well as private sector partners, the process to develop the Prosperity Plan engaged hundreds of stakeholders in the region, convening not only community meetings for the public, but also work groups within each economic cluster, along with capital resource partners, state and federal agency representatives and regional economic collaboratives from both California and Nevada. The central recommendation in the Plan is the formation of the Tahoe Prosperity Center, based on a regional stewardship model, to serve as an organizational focal point for implementing initiatives promoting economic cluster expansion as well as addressing a number of foundational issues essential to the success of the cluster initiatives.

VENTURA WESTSIDE ECONOMIC DEVELOPMENT STRATEGY

In 2006, ADE analyzed the retail and industrial potential of six "catalyst sites" in the City of San Buenaventura's Westside area, in an effort to transform the blighted area by attracting the right mix of shopping and industries that not only provide permanent employment at gainful wages but also industries that are more attractive than the existing concentration of used auto parts establishments and related services. Without this strategy, in all likelihood the type of economic activity that would continue to occur was a continuation of unwanted land uses in the form of used auto "pick and pull" warehouses that pay low wages. The consultant has discussed preliminary development options with the property owners and has suggested land use scenarios for the sites that would capitalize on both short term and long term market opportunities. ADE also prepared an Action Plan that enumerated necessary steps for implementing the Economic Strategy. In devising its recommendations, ADE facilitated numerous community workshops in Spanish and English, surveyed business owners, and conducted one-on-one interviews of businesses and other leaders.

Francisco Bay Area commercial real estate market as well as its high-quality Class A space. It served as a ready resource for San Francisco Bay Area business owners and leasing brokers who were the primary audiences for the marketing communications program.

The success of the program was evident in City Center's low vacancy rate, even during tough economic times.

HARBOR BAY BUSINESS PARK, ALAMEDA, CA

Harbor Bay Business Park is part of a master-planned mixed-use facility. The business park is approximately 325-acres and is home to more than 100 companies. The Placemaking Group worked with SRM Associates, the commercial real estate developer, when the project began. We created a publicity program, advertising, and direct mail to attract businesses to the park. Following that, we created a website and continue to provide website design and development services for the business park. Our marketing communication efforts served to increase awareness of Harbor Bay and made it a highly desired location for businesses. Businesses with offices in the park today include Abbott Labs, JP Morgan Chase, Kaiser Foundation, Peet's Coffee and Tea, and Avigen.

CITY OF SUISUN CITY ECONOMIC DEVELOPMENT DEPARTMENT

The Solano County city of Suisun City hired Placemaking Group to write an economic development marketing plan to recruit new businesses to its historic downtown waterfront district. We held meetings with city officials and interviewed the public and businesses, which resulted in a SWOT Analysis and Branding Blueprint.

Elements of the plan included an economic development search-optimized website, separate from the city's official website. In addition, we designed and launched a website targeted at visitor attraction.

CARLSBAD, CA

In conjunction with ADE, we wrote a marketing plan designed to promote doing business in Carlsbad targeted at reaching companies in San Diego county as well as to national companies in targeted industry clusters. The plan also has a visitor attraction element and has information about improvements to the downtown area. The city had the plan written with the intention that they would implement it internally.

BENICIA, CA

Benicia's local government and residents wanted to re-brand Benicia as a convenient and worthwhile destination for a day trip.

The goal was to position the city as an ideal choice for a day-trip to attract more visitors, and ultimately increase sales tax generated from retail stores and restaurants. The target audiences for the campaign included women and families within a 40-minute drive seeking a destination for art, shopping, dining and California history. Building consensus among all stakeholders was critically important to succeed. By taking the time to listen to all stakeholders, and succinctly explain our strategic plan for re-branding the City of Benicia, we were able to successfully build consensus.

PLACEMAKING GROUP

Napa Downtown
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(707) 257-1821

Suisun City
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Interim Executive Director
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CARNEY ASSOCIATES

City of Solvang – Economic Development Strategic Plan, 2012
Arleen Pelster, Planning & Economic Development Director
City of Solvang
411 Second Street
Solvang, CA 93463

County of Sonoma – Lead, CALED Professional Advisory Service, 2011
Ben Stone, Director
Sonoma County Economic Development Board
401 College Ave., Suite D
Santa Rosa, CA 95401

City of Lompoc – Lead, CALED Professional Advisory Service, 2010
Laurel Barcelona, City Administrator
City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436

County of Monterey – Lead, CALED Professional Advisory Service, 2010
Debbie L. Bradshaw, CAO-IGA, Economic Development Program
County of Monterey
168 Alisal St., 3rd Floor
Salinas, CA 93901

APPROACH, SCOPE, AND TIMELINES

PROJECT UNDERSTANDING AND APPROACH

The City of Eastvale is two years old and has accomplished much during its short life thus far. In 2011 it adopted its first General Plan, which includes a vision statement for the City as well as identification of key issues to be addressed going forward. The ADE team will build upon this strong foundation.



Community amenities

VISION

- A thriving, attractive community which remains a desirable place to live and work – as much so in the future as it is today.
- A City government which leads in the region in the areas of innovation, fiscal responsibility, customer service, and cost efficiency.
- A community which provides the essentials of daily life – housing, work, recreation, education, etc. – for families of all types and income levels.
- A City government which identifies issues ahead of time and puts in place policies and programs before *issues become crises*.

MAJOR ISSUES

- Transitioning from a “building” mode to a “maintain and sustain” mode.
- Maintaining the city’s viability and desirability over time.
- Addressing issues of health and wellness.
- Maintaining the City’s built environment and economic systems over time.

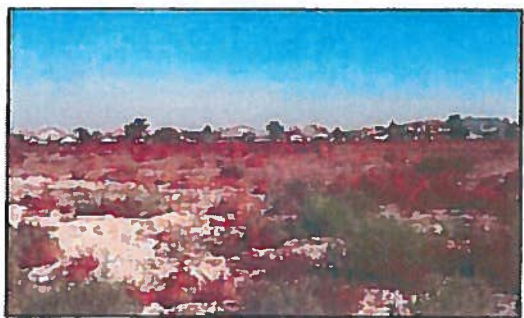
The General Plan goes on to identify related detailed issues under the categories of land use, circulation, housing, conservation, safety, economics, and design.

The General Plan is a longer term document and provides a policy framework that is oriented around land use and infrastructure planning. The implementation program outlines a general set of programs that address the policy statements in the plan but do not provide a time frame for implementation or an indication of priorities in the short term vs. the medium and longer term. Therefore, the General Plan does not provide specific guidance on how the City should prioritize program expenditures or activities in light of available funding resources and staff availability.

A Strategic Plan should entail a more action oriented implementation plan that is consistent with the

detailed strategic action plan to achieve the goals and objectives and to implement the mission statement and vision for the City. This would again involve discussions with City staff to focus on organizational and fiscal strategies that would include action plans for each City Department as well as the overall City management.

Phase 1: Visioning Process: Develop a mission statement, vision statement and identify City's core values.



Future opportunity site

Since the City has recently gone through the General Plan process and has an initial vision statement to work from, we propose to conduct the visioning process for the strategic plan at a more detailed level that will generate information to help formulate strategic action initiatives. Thus, we will develop both a Branding Blueprint and SWOT Analysis. The Branding Blueprint has been developed by Placemaking Group (see example on the next page) and provides a useful structure to collect information about the community that

can be translated into an expression of the City's vision and assets. During meetings with City leaders and stakeholders we would work to articulate a clear understanding of the city's target audiences, brand identity, current perception of the city and its position in the marketplace, vision for the future and key messages, including a brand message.

CITY AND DOWNTOWN BRANDING BLUEPRINT:

CITY NAME

BRAND ELEMENTS	STRATEGIES, DESCRIPTIONS, COMMENTS
Brand Product/Your City	Describe what your city or downtown has to offer? What distinguishes you from the competition?
Brand Vision	The big picture – what is your overall goal for your city or downtown for the long run? (Example: Apple Computer wanted to put a computer on top of every desk.)
Brand Positioning	Where does your city sit among like cities in the consumer's mind? What perception should your visitors have about you vs. your competition?
Brand Target	Identify your prospects. What are their demographics and IAO variables (Interests, Attitudes, and Opinions)
Brand Name	What is the name of your city? Ideally it is short, unique, consistent with the brand's personality, easy to spell and easy to pronounce.
Brand Identity	This is the logo, the name, and any tag line you choose to use. People will identify you with these graphics and words.

statement with City staff and incorporate revisions to address any concerns.

ADE will then host a community meeting to gain feedback on the draft vision and mission statement and to develop a draft set of goals and objectives to support the vision. This will provide an opportunity for meeting participants to register opinions about the broad vision and mission statements. Secondly, the meeting will be structured to have participants to work in groups to identify appropriate goals for the City that support the vision and to indicate measurable objectives that would help signify accomplishment of the goals.

Phase 2: Goals and Objectives: Five year goals and objectives toward implementing the mission and vision.

Using the input from the Community Meeting, as well as follow up discussion with City staff or other key informants, ADE will prepare a draft of the goals and objectives for the strategic plan. The goals and objectives will be focused on the five year time frame for the strategic plan, and therefore will differ from the type of goals in the General Plan. The objectives will constitute measurable indicators designed to help track progress toward meeting the goals. It is important that the objectives be realistic so that the City can register successes as it works to implement the plan. We anticipate this step will require further follow up with City staff and other stakeholders to ensure a meaningful set of goals and objectives.

Phase 3: Strategic Plan: Action plan and fiscal strategies to achieve five year goals and objectives.

As indicated earlier, from the visioning and public input, we will develop a SWOT (strengths, weaknesses, opportunities and threats) analysis that will provide the following information:

- Strengths: Positive internal factors that will benefit the community in achieving its goals
- Weaknesses: Negative internal factors. Define what is missing in Eastvale that might deter the public and the business community from thriving there.
- Opportunities: Positive external factors that the City might use to its strategic advantage.
- Threats: Negative external factors beyond the city's control. How will these affect the City's ability to achieve its vision?

The matrix below illustrates this concept.

FIXED PRICE COST

The ADE team proposes to complete the scope of work described above for a not-to-exceed fee of \$39,860. The staffing pattern for the project and the direct expenses are shown by task in the table below. We would request a monthly billing cycle of time and materials against the not-to-exceed total contract price.

Task	Svensson \$175.00	Kelly \$150.00	Production \$70.00	Carney \$150.00	Eroken \$225	Schaeffer \$150	Expenses	Total
Project Management	4						\$1,660*	\$2,360
Visioning	8	8		4	18	20	\$1,900	\$12,150
Goals/Objectives	8	8		8				\$3,800
Implementation Plan	20	8		16			\$750	\$7,850
Draft Report	8	8	8	8	6	11		\$7,360
Final Report	8	8	8	4			\$50	\$3,810
Presentation	8		4	4			\$250	\$2,530
Total	64	40	20	44	24		\$4,610	\$39,860

*ADE 10% administrative fee on subcontractor costs.

APPENDIX B: INSURANCE

ADE maintains all the necessary insurance and will provide the required Certificate of Insurance for General Liability in the amount of \$2,000,000, Professional Liability in the amount of \$2,000,000, Automobile Liability in the amount of \$1,000,000, and Workers Compensation in the amount of \$1,000,000.



City of Eastvale

City Council Meeting Agenda

Staff Report

MEETING DATE: JANUARY 9, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: ERIC NORRIS, PLANNING DIRECTOR

SUBJECT: DIRECTION TO STAFF REGARDING HOUSING ELEMENT-RELATED WORK IN 2013

RECOMMENDATION: PROVIDE DIRECTION TO STAFF REGARDING WORK TO IMPLEMENT AND UPDATE THE HOUSING CHAPTER OF THE EASTVALE GENERAL PLAN

BACKGROUND:

In June 2012, the City Council adopted the first Eastvale General Plan, which included a Housing Chapter (or “Element”). The Housing Element was certified (approved) by the State of California, a major accomplishment for the City.

As Eastvale enters 2013, several “to do” items face the City with regard to the Housing Chapter:

- In the Housing Chapter, the City committed to providing more land planned and zoned for apartment- or condominium-level density; and
- The City is part of the group of cities and counties that are required to update their Housing Element by October 2013.

Both of these efforts will require staff time, which would be covered by the City’s General Fund.

DISCUSSION:

The following discussion addresses two issues:

- Commitments for City action made in the adopted 2012 Housing Chapter; and
- The need to update the Housing Chapter in 2013

Planning staff (who prepared the current Housing Chapter) are specifically qualified to perform all of the work outlined in this report, and are ready to begin work immediately upon direction from the City Council.

City Commitments for Action

A key component of the Housing Chapter is the Action Items—the specific actions that the City committed to taking to help meet Eastvale’s targets for new housing to meet the needs of all households. These Actions are among the more important parts of the Housing Chapter—they were carefully reviewed by the State of California, and they will be checked for completion when the City updates the Housing Chapter.

A summary of Action Items from the 2012 Housing Chapter scheduled to be completed in 2013 is shown below:

Housing Actions to be Completed in 2013

Action Item	Summary	Estimated Cost
H-1.1	General Plan amendment to add new high-density housing sites. Must complete by July 2013.	Approximately \$30,000–\$50,000 for Planning, plus \$74,000–\$110,000 for CEQA, for a total cost of \$104,000–\$160,000
H-3.1	Annual update of the City’s land use inventory.	\$3,000
H-4.2	Publish information on housing programs and assistance. To be completed annually.	\$1,200
H-4.3	Help developers of multi-family projects. Ongoing; cost shown is estimated annual total.	\$1,600
H-6.1	Annual review and report on the Housing Chapter.	\$1,500–\$2,000
H-7.1	Annual review of development review and processing procedures	\$500
H-12.1	Identify candidate sites for new rental housing for special needs groups. To be completed annually.	\$1,500
H-15.1	Meet with other cities to discuss homeless issues. To be done annually.	\$1,200

As shown above, most of the Actions to be completed in 2013 are relatively minor. Most are “housekeeping” in nature, and can be completed easily and inexpensively.

The exception is Action H-1.1, which reads as follows:¹

***ACTION H-1.1:** General Plan Land Use Change to Meet the RHNA. To ensure the City has enough land to meet its Regional Housing Needs Allocation (RHNA), the City will amend the Land Use Map of this General Plan to add a minimum of 28 acres to the Highest Density Residential designation (HHDR). The City has identified five possible sites to redesignate (see Table HNA-19 in the Housing Needs Assessment). The City will initially target the three smaller sites (4-13 acres) for rezoning and then rezone portions of larger sites to facilitate subdivisions of 2-10 acres in size.*

All rezoned sites will permit owner-occupied and rental multi-family developments by right and will not require a conditional use permit, a planned unit development permit, or any other discretionary review. All sites will accommodate a minimum of 20 units per acre and at least 16 units per site, per state law requirements. Although density is not determined by the zoning, to ensure multi-family development is permitted, the City will also rezone the sites to the R-4 zone permitting owner-occupied and rental multi-family development by right.

Responsible Agency: Planning Department

Time Frame: Complete zoning within one year of adoption

Funding Source: General Fund

As shown, the City has committed to completing Action H-1.1 within one year of the adoption of the General Plan, June 2013.

The cost shown for the changes to the General Plan Land Use Map and Zoning Map—a total of \$104,000 to \$160,000—is a “worst case” scenario that reflects several realities:

- Designating land for high-density housing, particularly in communities such as Eastvale which are predominated by single family neighborhoods, is in most cases. Property owners next to or near the sites proposed for high density housing are often very vocal in their opposition. Overcoming opposition can take a significant amount of community education and engagement.
- Designating sites for higher density housing will create impacts (generally traffic, noise, and air quality) which need to be considered in a detailed environmental analysis. When the City adopted the General Plan in 2012, no land use changes were made, so the

¹ The entire Housing Chapter is included as an attachment to this staff report; Action Item H-1.1 appears on page 9-5.

expense of this type of analysis was avoided. The changes to land use that need to occur to implement Action Item H-1.1 mean that the City cannot avoid these costs.

As with all of the work that Planning completes for the City, staff will work as efficiently as possible. It is also possible that the community will support the City's need to provide more housing at apartment- and condominium-level densities, in which case many of the potential costs identified in this report can be avoided.

2013 Housing Chapter Update

Due to a quirk in the timing of Eastvale's incorporation and the adoption of the General Plan, the City finds itself in the position of adopting a Housing Element (Chapter) in 2012 and then needing to update the Element one year later. As part of the Southern California Association of Governments (SCAG) region, Eastvale is among the cities that need to update their Housing Element in 2013.

Fortunately, completing the Housing Element Update will be made easier by the fact that it was so recently adopted. Staff foresees that most of the updates will involve relatively simple changes to some of the numbers in the General Plan.

Staff estimates that the cost of the Housing update will be approximately \$13,000, plus approximately \$2,000 for required environmental documentation.

FISCAL IMPACT:

Based on a worst-case scenario, all of the work outlined in this staff report is projected to cost approximately \$129,500 - \$186,000, as follows:

General Plan Amendments/Rezoning:	\$104,000 to \$160,000
Other Housing Action Items:	\$10,500 to \$11,000
Housing Chapter Update:	\$15,000

All of these costs would need to be covered by the General Fund. There are currently enough funds in the General Fund Contingency account to fund any level the City Council may choose.

ATTACHMENTS:

1. 2012 Adopted Housing Chapter

Prepared by: Eric Norris

Reviewed by: City Manager
City Attorney



INTRODUCTION

The Housing Chapter of the Eastvale General Plan identifies and establishes the City's policies with respect to meeting the housing needs of existing and future residents in the city. It establishes policies that will guide decision-making and sets forth an action plan to implement the City's housing goals. The commitments are in furtherance of the statewide housing goal of early attainment of decent housing and a suitable living environment for every California family, as well as a reflection of the concerns unique to the City of Eastvale.



Safe, affordable housing for families of all income levels is a goal of the City.

PURPOSE

The purpose of the Housing Chapter is to identify housing solutions that solve our local housing problems and to meet or exceed the regional housing needs allocation. The City recognizes that the provision of adequate housing is best met through various resources and interest groups. This chapter establishes the local goals, policies, and action items the City will implement and/or facilitate to address the identified housing issues.

State law requires the Housing Element (Chapter) to be consistent and compatible with other General Plan elements. The Housing Element should provide clear policy direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the content of the Housing Element and requires an analysis of:

- Population and employment trends;
- The City's fair share of the regional housing needs;
- Housing stock and household characteristics;
- An inventory of land suitable for residential development;
- Governmental and non-governmental constraints on the improvement, maintenance, and development of housing;



- Special housing needs;
- Opportunities for energy conservation; and
- Publicly assisted housing projects that may convert to non-assisted housing projects.

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and schedules promoting the preservation, improvement, and development of diverse housing types available at a range of costs in Eastvale.

GENERAL PLAN CONSISTENCY

State law requires that “the general plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies.” Internal consistency is required to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement, and development of housing in the city. The City is currently in the process of completing its first General Plan, and all elements of the General Plan have been reviewed for consistency in coordination with the Housing Chapter. The City will continue to maintain General Plan consistency.

Assembly Bill (AB) 162 requires amendment of the safety and conservation elements of the general plan to include analysis and policies regarding flood hazard and management information. As this Housing Chapter is being completed as part of a larger General Plan effort, the City has ensured compliance with this new requirement. The City is not relying on any sites located within a flood hazard area to meet its regional housing need.

REGIONAL HOUSING NEEDS ALLOCATION

The Regional Housing Needs Plan (RHNP) is mandated by the State of California (Government Code Section 65584) and requires regions to address housing issues and needs based on future growth projections for the area. The California Department of Housing and Community Development (HCD) allocates regional housing needs numbers to regional councils of governments throughout the state. The RHNP for Riverside County is developed by the Southern California Association of Governments (SCAG) and allocates to cities and the unincorporated county their “fair share” of the region’s projected housing needs, also known as the Regional Housing Needs Allocation (RHNA). The Regional Housing Needs Plan allocates the RHNA based on household income groupings over the five-year planning period for each specific jurisdiction’s Housing Element. The RHNP, which covers a span of 7.5 years, also identifies and quantifies the existing housing needs for each jurisdiction.

CHAPTER 9: HOUSING



CITY OF EASTVALE

The City of Eastvale incorporated on October 1, 2010, which was after the final RHNA had been distributed by SCAG. Therefore, the City had to work with Riverside County, the Western Riverside Council of Governments (WRCOG), and SCAG to agree on an appropriate portion of the County’s allocation to take as its own. In October of 2011, an agreement was made that the City of Eastvale would take a total of 1,549 units for the remainder of the 2006–2014 planning period, as shown in **Table H-1**.

TABLE H-1: 2006–2014 REGIONAL HOUSING NEED

Income Category	Income Range*	2006–2014 RHNA
Extremely Low	\$0–\$20,000	183
Very Low	\$20,001–\$33,350	184
Low	\$33,351–\$53,350	254
Moderate	\$53,351–\$75,000	287
Above Moderate	\$75,001 or more	641
Total	–	1,549

Source: SCAG and WRCOG, October 2010

*Based on a four-person household.

HOUSING GOALS AND POLICIES

An important component of the Housing Chapter is the City's description of what it hopes to achieve during the current planning period. This is accomplished with a statement of the City's goals, policies, action items, and quantified objectives relative to the maintenance, preservation, improvement, and development of housing to meet the present and future needs of all economic segments of the population, as well as ongoing coordination and program implementation.

GOAL H-1: Assist in the development of adequate housing to meet the city's fair share of the region's housing needs for all economic segments of the population.

GOAL H-2: Where appropriate, mitigate governmental constraints to the maintenance, improvement, and development of housing.

GOAL H-3: Address the housing needs of special population groups.

GOAL H-4: Conserve and improve the condition of the housing stock, particularly affordable housing.

GOAL H-5: Promote equal housing opportunities for all persons regardless of race, age, sexual orientation, religion, or gender.

GOAL H-6: Conserve energy in the development of new housing and the rehabilitation of existing housing.

POLICIES

The policies below are intended to address housing issues within the City of Eastvale. Policies in this chapter are grouped into the following general categories, although any of the policies may be applied to any situation if it applies:

- Adequate Housing (page 9-5)
- Governmental Constraints (page 9-8)
- Special Needs Groups (page 9-10)
- Conservation and Improvement of Housing Stock (page 9-14)
- Equal Housing Opportunities (page 9-16)
- Energy Conservation (page 9-18)

ADEQUATE HOUSING

POLICY H-1: Ensure there is a sufficient supply of multi-family and single-family zoned land to meet the housing needs identified in the Regional Housing Needs Allocation (RHNA).

ACTION H-1.1: **General Plan Land Use Change to Meet the RHNA.** To ensure the City has enough land to meet its Regional Housing Needs Allocation (RHNA), the City will amend the Land Use Map of this General Plan to add a minimum of 28 acres to the Highest Density Residential designation (HHDR). The City has identified five possible sites to redesignate (see **Table HNA-19** in the Housing Needs Assessment). The City will initially target the three smaller sites (4-13 acres) for rezoning and then rezone portions of larger sites to facilitate subdivisions of 2-10 acres in size.

All rezoned sites will permit owner-occupied and rental multi-family developments by right and will not require a conditional use permit, a planned unit development permit, or any other discretionary review. All sites will accommodate a minimum of 20 units per acre and at least 16 units per site, per state law requirements. Although density is not determined by the zoning, to ensure multi-family development is permitted, the City will also rezone the sites to the R-4 zone permitting owner-occupied and rental multi-family development by right.

Responsible Agency: Planning Department

Time Frame: Complete zoning within one year of adoption

Funding Source: General Fund

ACTION H-1.2: **Large Sites.** The City will provide for the inclusion of mixed-income housing in future new growth areas of the city through development agreements and other mechanisms. To facilitate the development of affordable housing on smaller parcels (50 to 150 units in size), the City will routinely coordinate with property owners and give high priority to processing subdivision maps that include rezoned R-4 sites or affordable housing units. Also, an expedited review process will be available for the subdivision of larger sites into buildable lots where the development application can be found consistent with the General Plan and applicable Specific Plan.

Responsible Agency: Planning Department

Time Frame: Ongoing, as projects are processed through the Planning Department

Funding Source: General Fund

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-2: Maintain land use policies that allow residential growth consistent with the availability of adequate infrastructure and public services.

ACTION H-2.1: Assistance with Affordable Projects. Where feasible and/or necessary and as funding is available, the City shall offer assistance with land acquisition and off-site infrastructure improvements, as well as assistance in securing federal or state housing financing resources for two projects affordable to extremely low-, very low-, low-, and moderate-income households within the planning period.

Responsible Agency: Planning Department

Time Frame: Ongoing, as projects are processed through the Planning Department

Funding Source: Where feasible, leverage state and federal financing including Low Income Housing Tax Credits [LIHTC], CHFA multi-family housing assistance programs, HCD Multi-family Housing Loans, CDBG funds, HOME funds, possible County RDA Set-Aside funds, and other available financing.

POLICY H-3: Establish and maintain accurate planning and demographic data using GIS (geographic information systems).

ACTION H-3.1: Updated Land Inventory. As part of the General Plan update process, establish a Land Inventory that provides the mechanism to monitor acreage and location, by General Plan designation, of vacant and underutilized land, as well as buildout of approved projects, utilizing the City's GIS.

Responsible Agency: Planning Department

Time Frame: Update the Land Inventory on an annual basis

Funding Source: General Fund

ACTION H-3.2: Strategic Planning Opportunities. Utilize the City's GIS to facilitate preliminary strategic planning studies to identify vacant or underutilized commercial properties for infill construction or adaptive reuse in high-density areas.

Responsible Agency: Planning Department

Time Frame: Annually

Funding Source: General Fund

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-4: Facilitate the development of affordable housing by providing, when feasible, appropriate financial and regulatory incentives.

ACTION H-4.1: Funding Opportunities. Use, to the greatest extent possible, a portion of available funds for the production and subsidy of lower- and moderate-income housing. All projects receiving public assistance will be required to remain affordable in compliance with the requirements of the program in which they participate. These actions are not limited to density bonus; they are offered above and beyond.

Responsible Agency: Planning Department

Time Frame: Ongoing as projects are processed through the Planning Department

Funding Source: Utilize public financing tools when available, including but not limited to, multi-family revenue bonds, the CDBG Housing Loan Fund, HOME funds, and possible County RDA Set-Aside funds to provide low interest loans, and where feasible, leverage other state and federal financing obtained by the developer (e.g., Low Income Housing Tax Credits, CHFA multi-family housing assistance programs, HCD Multi-family Housing Loans), and other available financing.

ACTION H-4.2: Available Housing Programs and Assistance. To ensure that the development community (both nonprofit and for-profit) is aware of the housing programs, technical assistance, and funding available, the City will publish the City's Housing Chapter and updates and Annual Reports and make these documents available, to developers, housing development agencies, and City residents.

Responsible Agency: Planning and Building Departments

Time Frame: Ongoing, as developers approach the City for assistance

Funding Source: General Fund

ACTION H-4.3: Multi-Family Development. To assist in the development of affordable housing, the City will offer density bonuses, as well as assist interested developers to apply for government financing and/or other government subsidies, assist interested developers in acquiring surplus government land suitable for multi-family development, expedite permit processing, consider reducing parking standards and lot sizes, and consider waiving impact fees for extremely low-, very low-, and low-income dwelling units (these actions are not limited to density bonus).

CHAPTER 9: HOUSING



CITY OF EASTVALE

Responsible Agency: Planning and Building Departments

Time Frame: Ongoing, as applications are processed through the Planning and Building Departments

Funding Source: General Fund

POLICY H-5: **To the extent resources are available, assist in the provision of homeownership assistance for lower- and moderate-income households.**

ACTION H-5.1: Homeownership Opportunities. Explore opportunities to work with local nonprofit agencies in an effort to provide homeownership opportunities in the city.

Responsible Agency: Planning Department

Time Frame: Apply for HOME funds annually

Funding Source: HOME funds, other funding sources

GOVERNMENTAL CONSTRAINTS

POLICY H-6: **Consistently monitor and review the effectiveness of the Housing Chapter programs and other City activities in addressing housing need.**

ACTION H-6.1: Annual Review of the Housing Element. The City will review the Housing Chapter on an annual basis to determine the effectiveness of the programs in the chapter in achieving the City's housing goals and objectives. The City will provide annual reports to the Planning Commission and City Council as to the effectiveness of the Housing Chapter. The City will take actions necessary to correct any inconsistencies. A copy of this report will be sent to the California Department of Housing and Community Development.

Responsible Agency: Planning Department

Time Frame: Annually, starting in April 2013

Funding Source: General Fund

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-7: Periodically review the City’s regulations, ordinances, and development fees/exactions to ensure they do not unduly constrain the production, maintenance, and improvement of housing.

ACTION H-7.1: Development Review and Processing Procedures. The City will continually seek to improve development review and procedures to minimize the time required for review and project approval. This reduction in time will reduce the cost to developers and may increase the housing production in the city. The City will also annually review fees to ensure they do not constrain development.

Responsible Agency: Planning Department

Time Frame: Annually, starting in June 2012

Funding Source: General Fund

ACTION H-7.2: Building Code. As new uniform codes are adopted, the City will review its building codes for current compliance and adopt the necessary revisions so as to further local development objectives.

Responsible Agency: Building Department

Time Frame: As new uniform codes are adopted

Funding Source: General Fund

POLICY H-8: Provide streamlined processing of residential projects to minimize time and costs in order to encourage housing production.

ACTION H-8.1: Incentives for Development of Housing. The City will offer fast track/priority processing, density bonuses, flexibility in development standards, and fee subsidies (when feasible) to developers proposing new housing, mixed-use, or infill projects affordable to lower-income households, farmworkers, seniors, and other special needs groups.

Responsible Agency: Planning Department

Time Frame: As projects are proposed to the Planning Department

Funding Source: Where feasible, leverage state and federal financing including Low Income Housing Tax Credits, CHFA multi-family housing assistance programs, HCD Multi-family Housing Loans, CDBG funds, HOME funds, RDA Set-Aside funds, and other available financing.

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-9: Grant density bonuses to encourage the development of affordable housing.

ACTION H-9.1: Density Bonus. In an effort to comply with Government Code Section 65915 and Senate Bill (SB) 1818, the City of Eastvale is in the process of completing a Zoning Code which will be consistent with State Density Bonus Law.

Responsible Agency: Planning Department

Time Frame: Adopt Zoning Code by June 2012

Funding Source: General Fund

POLICY H-10: Allow for the development of second units as an affordable housing option.

ACTION H-10.1: Second Units. The City is in the process of completing a Zoning Code. In order to comply with Assembly Bill (AB) 1866, the City will permit second units ministerially (by right) in all single-family residential zones.

Responsible Agency: Planning Department

Time Frame: Adopt Zoning Code by June 2012; ongoing, as projects are processed through the Planning Department

Funding Source: General Fund

SPECIAL NEEDS GROUPS

POLICY H-11: Encourage housing developers to produce affordable units by providing assistance and incentives for projects that include new affordable units available to lower/moderate-income households or special needs housing.

ACTION H-11.1: Priority for Affordable Projects. Give priority to permit processing for projects providing affordable housing when requested. Expand application of processing priority to projects providing housing for seniors and other special needs groups.

Responsible Agency: Planning Department

Time Frame: As projects are approved through the Planning Department

CHAPTER 9: HOUSING



CITY OF EASTVALE

Funding Source: Where feasible, leverage state and federal financing including Low Income Housing Tax Credits [LIHTC], CHFA multi-family housing assistance programs, HCD Multi-family Housing Loans, CDBG funds, HOME funds, RDA Set-Aside funds, and other available financing.

POLICY H-12: **Ensure the availability of suitable sites for the development of affordable housing to meet the needs of all household income levels, including special needs populations.**

ACTION H-12.1: Special Needs Housing. Work with public or private sponsors to identify candidate sites for new construction of rental housing for special needs, and take all actions necessary to expedite processing of such projects.

Responsible Agency: Planning Department

Time Frame: As projects are approved through the Planning Department

Funding Source: General Fund

POLICY H-13: **Promote the development of special needs housing, such as housing for seniors, housing for persons with physical, developmental, or mental disabilities, farmworker housing, and housing for extremely low-income persons.**

ACTION H-13.1: Extremely Low-Income Households. AB 2634 requires the City to identify zoning to encourage and facilitate housing suitable for extremely low-income households, such as supportive housing and single-room occupancy units. The City will encourage the development of housing for extremely low-income households through a variety of activities such as outreach to housing developers on an annual basis, providing financial assistance (when feasible) or in-kind technical assistance or land writedowns, providing expedited processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding at least twice in the planning period, and/or offering additional incentives beyond the density bonus.

In addition, the City will allow single-room occupancy units (SROs) to be permitted in the General Commercial Zone (C-1/C-P) with a conditional use permit.

Responsible Agency: Planning Department

CHAPTER 9: HOUSING



Time Frame: The City will comply with AB 2634 by June 2012; ongoing, as projects are processed through the Planning Department, and annual outreach with local developers

Funding Source: General Fund

ACTION H-13.2: Farmworkers. The City is in the process of completing a Zoning Code, which, once adopted, will comply with Sections 17021.5 and 17021.6 of the Health and Safety Code. In addition, the City will allow for farmworker housing in the A-1, A-2, and R-A zones by right.

Responsible Agency: Planning and Building Departments

Time Frame: Comply by June 2012

Funding Source: General Fund

ACTION H-13.3: Reasonable Accommodation. Develop and formalize a general process that a person with disabilities will need to go through in order to make a reasonable accommodation request in order to accommodate the needs of persons with disabilities and streamline the permit review process. The City will provide information to individuals with disabilities regarding reasonable accommodation policies, practices, and procedures based on the guidelines from the California Housing and Community Development Department (HCD). This information will be available through postings and pamphlets at the City and on the City's website.

Responsible Agency: Planning and Building Departments

Time Frame: June 2013

Funding Source: General Fund

ACTION H-13.4: Residential Care Facilities/Group Homes. Senate Bill 520 requires residential care facilities of six or fewer persons to be permitted in all residential zones. Currently, residential care homes with six or fewer persons are permitted in some zones with a planned use permit.

The City will revise the current regulations to meet state law requirements. The City will amend the Zoning Code to allow for residential care homes with six or fewer persons by right in all residential zones only subject to the same restrictions in that zone and will allow larger group homes of seven or more persons in the R-2 and R-3 zones with a conditional use permit.

CHAPTER 9: HOUSING



Additionally, the City will amend the Zoning Code to update its definition of family to be “One or more persons living together in a dwelling unit.”

Responsible Agency: Planning and Building Departments

Time Frame: June 2013

Funding Source: General Fund

POLICY H-14: Support family housing that addresses resident needs for child care, youth services, recreation opportunities, and access to transit.

ACTION H-14.1: Child-Care Program. In cooperation with private developers, the City will evaluate on a case-by-case basis the feasibility of pairing a child-care center in conjunction with affordable, multi-family housing developments or nearby to major residential subdivisions.

Responsible Agency: Planning Department

Time Frame: Ongoing

Funding Source: General Fund

POLICY H-15: Participate regionally in addressing homeless issues.

ACTION H-15.1: Regional Homeless Issues. The City shall cooperate with the other cities, the County, and other agencies in the development of programs aimed at providing homeless shelters and related services.

Responsible Agency: Planning Department

Time Frame: Meet with neighboring cities and the County annually to discuss homeless issues

Funding Source: General Fund

POLICY H-16: Allow transitional and supportive housing and emergency/homeless shelters in appropriate zoning districts.

ACTION H-16.1: Emergency Shelters. Pursuant to Senate Bill 2 (SB 2), the City will allow emergency shelters as a permitted use (by right) in the Light Industrial (L-I) land use designation on parcels zoned Industrial Park (I-P) without a conditional use permit or other



discretionary review. The I-P zone is close to transit corridors and services. In addition, the City will evaluate adopting development and managerial standards that will be consistent with Government Code Section 65583(a)(4). These standards may include such items as:

- Lighting
- On-site management
- Maximum number of beds or persons to be served nightly by the facility
- Off-street parking based on demonstrated need
- Security during hours that the emergency shelter is in operation

Responsible Agency: Planning Department

Time Frame: The City will comply with SB 2 by June 2012.

Funding Source: General Fund

ACTION H-16.2: Transitional and Supportive Housing. Pursuant to SB 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall include in its new Zoning Code separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14, and both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Responsible Agency: Planning Department

Time Frame: The City will comply with SB 2 by June 2012.

Funding Source: General Fund

CONSERVATION AND IMPROVEMENT OF HOUSING STOCK

POLICY H-17: Pursue all available federal and state funds to establish a housing rehabilitation program.

ACTION H-17.1: Rehabilitation Program. The City will pursue grant opportunities to create a Rehabilitation Program. The City will apply for HOME funding for this program and will work with the County to obtain available RDA funds.

CHAPTER 9: HOUSING



Responsible Agency: Planning Department

Time Frame: Starting in 2012, annually apply for HOME funds as NOFAs are released and work with the County to discuss the option of using County RDA funds

Funding Source: HOME, Redevelopment Agency Low and Moderate Income Housing (RDA Low-Mod funds)

ACTION H-17.2: Future RDA Funds. Based on the future of RDA funds, the City will work with the County to identify whether any of the RDA funds allocated to the project areas in the City of Eastvale can be used outside of project areas to eliminate conditions of blight, rehabilitate affordable units, and expand employment opportunities in selected areas.

Responsible Agency: Planning Department

Time Frame: Pursue projects as funding becomes available.

Funding Source: RDA funds

POLICY H-18: Focus rehabilitation assistance and code enforcement efforts in the Swan Lake and Chandler areas (see the Land Use Chapter for more information), which have a concentration of older and/or substandard residential structures.

ACTION H-18.1: Code Enforcement. The City's Code Enforcement staff is responsible for ensuring compliance with building and property maintenance codes. Code Enforcement handles complaints on a reactive basis and deals with a variety of issues, including property maintenance, abandoned vehicles, and housing conditions. The City will continue to use Code Enforcement, as well as Building Division, staff to ensure compliance with building and property maintenance codes. The Code Enforcement program is complaint-based. In addition, the City's Code Enforcement Officer also provides daily observation to ensure compliance.

Responsible Agency: Code Enforcement Department

Time Frame: Ongoing

Funding Source: General Fund

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-19: Preserve the affordability of federal and state subsidized units at risk of conversion to market rate or other affordable housing resources.

ACTION H-19.1: Preservation of At-Risk Housing Units. State law requires jurisdictions to provide a program in their Housing Elements to preserve publicly assisted affordable housing projects at risk of converting to market-rate housing. Currently, the City does not have any publicly assisted affordable projects, but should they in the future, the City will monitor the status of all affordable housing projects and, as their funding sources near expiration, will work with owners and other agencies to consider options to preserve such units. The City will also provide technical support to property owners and tenants regarding proper procedures relating to noticing and options for preservation.

Responsible Agency: Planning Department

Time Frame: Annually monitor

Funding: General Fund

EQUAL HOUSING OPPORTUNITIES

POLICY H-20: Continue to support fair housing laws and organizations that provide fair housing information and enforcement.

ACTION H-20.1: Fair Housing. The City will assign a point person to refer individuals, developers, landlords, and any other interested persons to the Fair Housing Council of Riverside County, which provides a number of programs including (1) audits of lending institutions and rental establishments; (2) education and outreach to apartment owners, associations, management companies, lending institutions, building industry associations, homebuyers, and residents in emergency shelters and transitional housing facilities. The City will also post a link on their website to direct interested parties to the Fair Housing Council's website and any other important information regarding fair housing.

Responsible Agency: Fair Housing Council of Riverside County

Time Frame: Ongoing, assign a point person and post a link to the website by June 2012

Funding Source: General Fund

CHAPTER 9: HOUSING



CITY OF EASTVALE

POLICY H-21: Support state and federal mandates for fair housing practices in both public and private housing developments.

ACTION H-21.1: Fair Housing Education. The City will post a link on its website referring interested persons to the Fair Housing Council's website as well as refer persons to the Fair Housing Council, which provides education and outreach services to the public in both Spanish and English.

Responsible Agency: Fair Housing Council of Riverside County

Time Frame: Ongoing, post a link to the website by June 2012

Funding Source: General Fund

POLICY H-22: Support programs that offer low- and moderate-income households the opportunity for homeownership.

ACTION H-22.1: Mortgage Credit Certificate Program. Refer eligible residents to the Riverside County Mortgage Credit Certificate (MCC) Program for low- to moderate-income homeowners assistance.

Responsible Agency: County of Riverside Economic Development Agency

Time Frame: Ongoing

Funding Source: General Fund

ACTION H-22.2: First-Time Homebuyer Program. Consider the implementation of a First-Time Homebuyer Program to provide down payment assistance and closing cost assistance to low-income first-time homebuyers.

Responsible Agency: Planning Department

Time Frame: Consider applying for funding annually to establish a program.

Funding Source: HOME funds

ACTION H-22.3: Foreclosures. Investigate the feasibility of acquiring foreclosure homes and offering them to residents at prices affordable to low- and moderate-income households.

Responsible Agency: Planning Department

CHAPTER 9: HOUSING



Time Frame: Consider applying for funding to establish a program.

Funding Source: Neighborhood Stabilization Program funding

POLICY H-23: **Expand the availability of affordable and/or special needs housing through acquisition or conversion.**

ACTION H-23.1: Acquisition/Rehabilitation. Work with public or private sponsors to encourage acquisition/rehabilitation of existing multi-family units to be converted to senior housing and housing for persons with disabilities, with a portion of the units required to be reserved for households with lower income.

Responsible Agency: Planning Department

Time Frame: Ongoing as opportunities arise

Funding Source: HOME, RDA, CDBG

ENERGY CONSERVATION

POLICY H-24: **Encourage the use of energy conservation features in residential construction and remodeling.**

ACTION H-24.1: Promote Energy Conservation. The City will partner with Southern California Edison (SCE) and the Southern California Gas Company (SoCalGas) to promote energy-saving programs such as the Residential Multifamily Energy Efficiency Rebate program, Heating and Cooling Rebate program, and incentives of up to \$4,000 available to SCE and SoCalGas residential customers.

Responsible Agency: Planning and Building Departments, Southern California Edison, Southern California Gas Company

Time Frame: Ongoing as programs are available

Funding Source: SCE and SoCalGas funding sources

CHAPTER 9: HOUSING



CITY OF EASTVALE

ACTION H-24.2: Ensure Consistency with Green Building Standards. The City will annually ensure that local building codes are consistent with state-mandated green building standards.

Responsible Agency: Building Department

Time Frame: Annually

Funding Source: General Fund

ACTION H-24.3: Implement State Energy Conservation Standards. The City's Building Department will be responsible for implementing the state's energy conservation standards (e.g., Title 24 Energy Standards). This includes checking building plans and other written documentation showing compliance and inspecting construction to ensure that the dwelling units are constructed according to those plans. Applicants for building permits must show compliance with the state's energy conservation requirements at the time building plans are submitted.

Responsible Agency: Building Department

Time Frame: Ongoing

Funding Source: General Fund



QUANTIFIED OBJECTIVES

Quantified objectives estimate the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the planning period. The quantified objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve based on needs, resources, and constraints.

- The **Construction** objective refers to the number of new units that potentially may be constructed using public and/or private sources over the planning period of the Housing Chapter, given the City’s land resources, constraints, and proposed programs.
- The **Rehabilitation** objective refers to the number of existing units expected to be rehabilitated during the planning period.
- The **Conservation/Preservation** objective refers to the preservation of the existing affordable housing stock throughout the planning period.

Each quantified objective is detailed by income level as shown in the following table. To date, the City has issued 318 residential permits, leaving a remaining new construction need of 1,331 units. As funding permits, the City also plans to assist 10 households with rehabilitation needs throughout the remainder of the planning period.

TABLE H-2: QUANTIFIED OBJECTIVES SUMMARY

Task	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
Fair Share Allocation	183	184	354	287	641	1,649
Residential Permits Issued ¹	0	0	0	0	318	318
New Construction	183	184	354	287	323	1,331
Rehabilitation ²	0	5	5	0	0	10
Conservation/Preservation ³	0	0	0	0	0	0

Source: City of Eastvale, November 2011

¹ Building permits from October 2010 to September 2011

² Based on the amount of CDBG funding the City anticipates obtaining over the next five years.

³ There are currently no affordable housing projects at risk of conversation over the next ten years.



CITY OF EASTVALE – MADDY ACT APPOINTMENTS AND LIST OF TERMS

Notice: In compliance with the requirements of the Maddy Act, GC 54970, the following appointment list was posted on December 20, 2012 at Eastvale City Hall, 12363 Limonite Ave., Suite 910, Eastvale Community Library at 7447 Cleveland Ave. and Rosa Parks Elementary School, 13830 Whispering Hills Drive.

EASTVALE CITY COUNCIL

Meets the 2nd and 4th Wednesday of each month at 6:30 p.m. at Rosa Parks Elementary School, 13830 Whispering Hills Drive.

Council Member	Date Member Took Office	Term Ends
Adam Rush	October 1, 2010	November 2014
Kelly Howell	October 1, 2010	November 2014
Ric Welch	October 1, 2010	November 2014
Ike Bootsma	December 12, 2012	November 2016
Jeff DeGrandpre	December 12, 2012	November 2016

EASTVALE PLANNING COMMISSION

Meets the 1st and 3rd Wednesday of each month at 6:00 p.m. at Rosa Parks Elementary School, 13830 Whispering Hills Drive.

Commissioner	Appointed By	Date Appointed	Term Ends
Karen S. Patel	Adam Rush	November 17, 2010	November 2014
VACANT	Kelly Howell	VACANT	November 2014
Fred L. Valentine, Jr.	Ric Welch	November 17, 2010	November 2014
Joseph M. Tessari	Ike Bootsma	November 17, 2010	November 2016
William Link	Jeff DeGrandpre	November 17, 2010	November 2016

EASTVALE PUBLIC SAFETY COMMISSION

To Be Determined

Commissioner	Appointed By	Date Appointed	Term Ends
VACANT	Kelly Howell	VACANT	November 2014
VACANT	Jeff DeGrandpre	VACANT	November 2016
Robert Johnson	Ike Bootsma	September 26, 2012	November 2016
David Allis	Adam Rush	April 27, 2011	November 2014
Rob Medrano	Ric Welch	April 27, 2011	November 2014

EASTVALE FINANCE SUB-COMMITTEE

Meets the 3rd Wednesday of each month at 4:00 p.m. at Eastvale City Hall.

Member	Date Appointed	Term Expires
Kelly Howell	October 1, 2010	December 2012
Ric Welch	October 1, 2010	December 2012

EASTVALE CITY HALL OFFICES RELOCATION SUB-COMMITTEE

Meetings noticed as needed.

Member	Date Appointed	Term Expires
Jeff DeGrandpre	October 1, 2010	December 2012
Ike Bootsma	October 1, 2010	December 2012

RIVERSIDE TRANSIT COMMISSION

Member	Date Appointed	Term Expires
Ike Bootsma, Delegate	October 1, 2010	December 2012
Adam Rush, Alternate	October 1, 2010	December 2012

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Member	Date Appointed	Term Expires
Jeff DeGrandpre, Delegate	October 1, 2010	December 2012
Adam Rush, Alternate	October 1, 2010	December 2012

RIVERSIDE COUNTY REGIONAL CONSERVATION AGENCY

Member	Date Appointed	Term Expires
Adam Rush, Delegate	October 1, 2010	December 2012
Ric Welch, Alternate	October 1, 2010	December 2012

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

Member	Date Appointed	Term Expires
Adam Rush, Delegate	October 1, 2010	December 2012
Ike Bootsma, Alternate	October 1, 2010	December 2012

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Member	Date Appointed	Term Expires
Jeff DeGrandpre, Delegate	October 1, 2010	December 2012
Adam Rush, Alternate	October 1, 2010	December 2012

NORTHWEST MOSQUITO AND VECTOR CONTROL DISTRICT

Member	Date Appointed	Term Expires
Jeff DeGrandpre, Delegate	October 27, 2010	December 2012

**Agency Report of:
Public Official Appointments**

A Public Document

1. Agency Name City of Eastvale			California Form 806 For Official Use Only
Division, Department, or Region (If Applicable)			
Designated Agency Contact (Name, Title) Ariel Berry, Assistant City Clerk			
Area Code/Phone Number 951-361-0900	E-mail aberry@eastvaleca.gov	Page <u>1</u> of <u>2</u>	Date Posted: <u>09/26/12</u> <small>(Month, Day, Year)</small>

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Riverside Transit Agency	▶ Name <u>Bootsma, Ike</u> <small>(Last, First)</small> Alternate, if any <u>Rush, Adam</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appl Date</small> <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting \$ <u>150.00</u> ▶ Estimated Annual <input type="checkbox"/> \$0-\$1,000 <input checked="" type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Western Riverside Council of Governments	▶ Name <u>DeGrandpre, Jeff</u> <small>(Last, First)</small> Alternate, if any <u>Rush, Adam</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appl Date</small> <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting \$ <u>150.00</u> ▶ Estimated Annual <input type="checkbox"/> \$0-\$1,000 <input checked="" type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Riverside County Regional Conservation Agency	▶ Name <u>Rush, Adam</u> <small>(Last, First)</small> Alternate, if any <u>Welch, Ric</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appl Date</small> <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting \$ <u>100.00</u> ▶ Estimated Annual <input type="checkbox"/> \$0-\$1,000 <input checked="" type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Riverside County Transportation Commission	▶ Name <u>Rush, Adam</u> <small>(Last, First)</small> Alternate, if any <u>Bootsma, Ike</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appl Date</small> <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting \$ <u>100</u> ▶ Estimated Annual <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other

3. Verification

I have read and understand FPPC Regulation 18705.5. I have verified that the appointment and information identified above is true to the best of my information and belief

Ariel Berry
Print Name
Asst. City Clerk
Title
09/26/12
(Month, Day, Year)

Comment: _____

**Agency Report of:
Public Official Appointments
Continuation Sheet**

1. Agency Name
City of Eastvale

Date Posted: 09/26/12
(Month, Day, Year)

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Southern California Association of Governments	▶ Name <u>DeGrandpre, Jeff</u> <small>(Last, First)</small> Alternate, if any <u>Rush, Adam</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appt Date</small> ▶ <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>120</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Northwest Mosquito and Vector Control District	▶ Name <u>DeGrandpre, Jeff</u> <small>(Last, First)</small> Alternate, if any <u>N/A</u> <small>(Last, First)</small>	▶ <u>01 / 11 / 11</u> <small>Appt Date</small> ▶ <u>1 year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other