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REGULAR MEETING AGENDA  
125 E. College Street, Covina, California  
Council Chamber of City Hall  
**Tuesday, January 17, 2017**

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA  
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING  
AUTHORITY/COVINA HOUSING AUTHORITY  
JOINT MEETING—CLOSED SESSION  
6:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

**PUBLIC COMMENTS**

*The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency/Authority, please complete a yellow speaker request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.*

**The City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to closed session for the following:**

**CLOSED SESSION**

- A. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**  
Agency Designated Representative: Danielle Tellez, Human Resources Director  
Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)
- B. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Name of Case: Golden State Environmental Justice Alliance v. City of Covina, Case No. BS167251

**RECESS**

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA  
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING  
AUTHORITY/COVINA HOUSING AUTHORITY  
JOINT MEETING—OPEN SESSION  
7:30 p.m.**

**RECONVENE AND CALL TO ORDER**

**ROLL CALL**

Council/Agency/Authority Members Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice-Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

**PLEDGE OF ALLEGIANCE**

Led by Councilmember King

**INVOCATION**

Given by Covina Police Chaplain Truax

**PRESENTATIONS**

Introduction of Miss Covina Contestants

**PUBLIC COMMENTS**

*To address the Council/Agency/Authority please complete a yellow speaker request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.*

**COUNCIL/AGENCY/AUTHORITY COMMENTS**

*Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future Council/Agency/Authority agendas may do so at this time.*

**CITY MANAGER COMMENTS**

**CONSENT CALENDAR**

*All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Agency/Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the consent calendar for discussion.*

**CC 1. Minutes of the December 20 2016, Study Session and Regular Meetings of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.**

*Report: [Minutes](#)*

**CC 2. Payment of City Demands in the Amount of \$3,114,529.95.**

*Report:* [City Demands](#)

**CC 3. Payment of Agency Demands in the Amount of \$62,841.00.**

*Report:* [Agency Demands](#)

**CC 4. City Council to Adopt Resolution CC 17-01 Confirming Continued Existence of an Emergency Condition for Residual Control System at Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of Public Contracts Code, Adopt Resolution CC 17-02 to Amend FY 2017 Capital Improvement Budget to Increase Funding for Residual Control System at Charter Oak Site, and Authorize City Manager to Execute Change Order No. 3 and Second Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.**

*Report:* [Resolutions CC 17-01 and 17-02](#)

**CC 5. Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707 – Final Acceptance and Filing Notice of Completion.**

*Report:* [Rancho La Merced Reservoir Project](#)

**CC 6. Approval of Salary-Rate Adjustments for Classifications Subject to the State-Mandated Minimum-Wage Increase for 2017.**

*Report:* [Salary-Rate Adjustments](#)

**CC 7. Reflective Street Name Sign Replacement Program – Authorize Replacement of City’s Existing Internally Illuminated Street Name Signs Located at City-maintained Traffic Signals with Reflectorized Street Name Signs through General Services Agreement with Los Angeles County.**

*Report:* [Reflective Street Name Sign Replacement Program](#)

**CC 8. First Amendment to the Robert Half International Inc. Professional Services Agreement for Temporary Accounting Staffing Services.**

*Report:* [Agreement Amendment](#)

**CC 9. Adoption of Resolutions Relating to the Annexation of Territory to Community Facilities District No. 2007-1 Declaring Intention to Authorize Annexation, Adopting Boundary Map and Setting the Public Hearing Date for February 21, 2017 (735 Orange Circle).**

*Report:* [Resolutions CC 17-05 and 17-06](#)

**CC 10. Adoption of Resolutions Relating to the Annexation of Territory to Community Facilities District No. 2007-1 Declaring Intention to Authorize Annexation, Adopting Boundary Map and Setting the Public Hearing Date for February 21, 2017 (308 S. Barranca Avenue).**

*Report:* [Resolutions CC 17-03 and 17-04](#)

**CC 11. Quarterly Report of the Treasurer to the City Council and the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended December 31, 2016.**

*Report:* [Treasurer's Report](#)

**CC 12. Amend the Finance Department's Authorized Staffing Schedule of Budgeted Positions to Downgrade a Vacant Senior Accountant Position to an Accountant Position.**

*Report:* [Position Downgrade](#)

**PUBLIC HEARING**

**PH 1. Public Hearing to Consider a Substantial Amendment to the Fiscal Year (FY) 2016-2017 Community Development Block Grant (CDBG) Program Budget.**

*Report:* [Resolution CC 17-07](#)

Staff Recommendation:

1. Open the public hearing and receive public testimony;
2. Close the public hearing;
3. Adopt **Resolution CC 17-07**, authorizing approval of the new Covina Senior Center Demolition project; and reduction of budget funding for Project 601802-15, Covina Senior Center Project (Phase 1); and
4. Authorize the City Manager or his designee to execute documents related to the FY 2016-2017 CDBG funds.

**PH 2. Public Hearing to Consider Approval of the Fiscal Year 2017-2018 Community Development Block Grant (CDBG) Program Budget.**

*Report:* [Resolution CC 17-08](#)

Staff Recommendation:

1. Open the public hearing and receive public testimony;
2. Close the public hearing;
3. Consider approval of the FY 2017-2018 CDBG program budget as recommended in Column 4 of the Table on Attachment A with the provision that the allocations be adjusted based on the final allocation as determined by Los Angeles County Community Development Commission (LACDC), with a maximum of 15 percent of funding allocated for public service programs;
4. Adopt **Resolution CC 17-08**, authorizing the allocation of the Forty-Third Year CDBG funds for FY 2017-2018; and
5. Authorize the City Manager or his designee to execute documents related to the FY 2017-2018 CDBG funds.

**CONTINUED BUSINESS**

**CB. 1. Covina Senior and Community Center – Funding Options and Project Schedule.**

*Report:* [Funding Options and Project Schedule](#)

Staff Recommendation:

1. Authorize the City Manager to prepare a Section 108 Loan Program application to the Community Development Commission of Los Angeles in the amount of approximately \$2.5 million for approval by the City Council;
2. Direct the City Manager to explore the feasibility of an interfund loan from one or more City funds to the General Fund to fund the balance of the project cost, subject to approval of borrowing agreement by the City Council;
3. Authorize the City Manager to execute, on the City Council's behalf, a Professional Services Agreement with Gonzalez Goodale Architects for Design Services for the Covina Senior and Community Center Project, in an amount not-to-exceed \$715,970 for the scope of services, work plan, and schedule contained in Attachment A to the report, including provisions required for compliancy with federal law and Community Development Block Grant requirements, subject to the City Attorney's review and approval as to form; and
4. Authorize the City Manager to issue a Request for Proposals for park planning services to master plan the Kelby Park site in preparation for placement and integration of the Covina Senior and Community Center onto the Kelby Park site.

**NEW BUSINESS – NONE**

**ADJOURNMENT**

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, February 7, 2017, at 6:30 p.m. for closed session and 7:30 p.m. for open session in the Council Chamber, 125 East College Street, Covina, California, 91723.

Any member of the public may address the Council/Agency/Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.

**MEETING ASSISTANCE INFORMATION:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

If you challenge in court any discussion or action taken concerning an item on this agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.

The Covina City Clerk's Office does hereby declare that, in accordance with California Government Code Section 54954.2(a), the agenda for the Tuesday, January 17, 2017, meeting was posted on January 12, 2017, on the City's website and near the front entrances of: 1) Covina City Hall, 125 East College Street, Covina; and 2) the Covina Public Library, 234 N. Second Avenue, Covina.

**MATERIALS RELATED TO AN ITEM ON THIS AGENDA, AND SUBMITTED TO THE CITY COUNCIL AFTER PUBLICATION OF THE AGENDA, ARE AVAILABLE TO THE PUBLIC IN THE CITY CLERK'S OFFICE AT 125 E. COLLEGE STREET, COVINA.**

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ITEM NO. CC 1

**MINUTES OF DECEMBER 20, 2016  
JOINT STUDY SESSION MEETING OF THE COVINA CITY COUNCIL/ SUCCESSOR  
AGENCY TO THE COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC  
FINANCING AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE  
COMMUNITY ROOM OF COVINA PUBLIC LIBRARY, 234 NORTH SECOND  
AVENUE, COVINA, CALIFORNIA**

**CALL TO ORDER**

Mayor Stapleton called the Council/Agency/Authority meeting to order at 5:00 p.m.

**ROLL CALL**

**Councilmembers Present:** Walter Allen III, Peggy A. Delach, John C. King (arrived 5:08 p.m.), Mayor Pro Tem/Vice-Chair Jorge A. Marquez, and Mayor/Chair Kevin Stapleton.

**Councilmembers Absent:** None.

**Elected Members Present:** City Treasurer Geoffrey Cobbett.

**Elected Members Absent:** City Clerk Mary Lou Walczak.

**Staff Members Present:** Interim City Manager Don Penman, Assistant City Attorney Serita Young, Police Chief John Curley, Public Works Director Siobhan Foster, Community Development Director Brian Lee, Finance Director Anita Agramonte, Parks and Recreation/Library Director Amy Hall-McGrade, and Chief Deputy City Clerk/Records Management Director Sharon F. Clark.

**COUNCIL/AGENCY/AUTHORITY COMMENTS** – None.

**CITY MANAGER COMMENTS** - None.

**NEW BUSINESS**

**NB 1. Department of Public Works - Water Operations Update.**

The staff report and a PowerPoint presentation were presented by Interim Water Services Supervisor Bill Peci who provided information about water quality, capital projects, the distribution system line-flushing program, contract with Covina Irrigating Company for water system and water quality consulting services, and related topics.

Discussion included the timeframe and process to get the new system online; public perception issues related to conservation and necessary line-flushing; re-use of water used for line-flushing; SCADA (supervisory control and data acquisition) training and system update with 24-hour

monitoring; a higher than normal incidence of hydrant damage necessitating replacement; desirability of a public information campaign to explain rate increases; and capture of storm water runoff.

**NB 2. Economic Development Update on Various Ongoing Commercial and High-Profile Development and/or Economic Development Projects within Covina.**

The staff report was presented by Community Development Director Lee.

Discussion included an update on litigation involving the City Ventures project; economic development and public safety concerns regarding a proposed County-run alternative high school; and details regarding the Giovanni's lease and the desirability of changing conditions for the property in the future.

**NB 3. Fiscal Year 2015-16 Year End Report and Fiscal Year 2016-17 Budget Update.**

Interim City Manager Penman introduced the item, and the staff report and a PowerPoint presentation were presented by Finance Director Agramonte.

Discussion included a shortfall in the expected income from the Utility Users Tax; general timeline for the Dalton Place project and funding for the park component of the project; an increase in 2016 revised budget numbers due to unemployment claims, one-time severance costs, personnel issues, less than expected savings from contracted services versus in-house staff, and this year not being a good benchmark for those savings due to several one-time anomalies; savings of approximately \$60,000 on election costs due to consolidation with the County, savings on the City Manager's salary, and increased revenue due to new fees going into effect; reserves status; and the implementation of Finance policies and procedure, and purchasing and bidding practices which will assist in more competitive pricing in the future.

**ADJOURNMENT**

At 6:10 p.m., the meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority was adjourned to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, December 20, 2016, at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber, 125 East College Street, Covina, California, 91723.

Respectfully submitted:

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Sharon F. Clark, CMC  
Chief Deputy City Clerk

Approved this 17<sup>th</sup> day of January, 2017:

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Kevin Stapleton, Mayor/Chair



## MINUTES OF DECEMBER 20, 2016

### REGULAR MEETING OF THE COVINA CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE COUNCIL CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA

#### CALL TO ORDER

Mayor Stapleton called the Council/Agency/Authority meeting to order at 6:30 p.m. with all councilmembers present except Councilmember King. There were no public comments. Mayor Stapleton recessed Council to closed session at 6:30 p.m.

#### ROLL CALL

**Councilmembers Present:** Walter Allen III, Peggy A. Delach, John C. King (arrived 6:32 p.m.), Mayor Pro Tem/Vice-Chair Jorge A. Marquez, and Mayor/Chair Kevin Stapleton.

**Councilmembers Absent:** None.

**Elected Members Present:** City Clerk Mary Lou Walczak and City Treasurer Geoffrey Cobbett.

**Elected Members Absent:** None.

**Staff Members Present:** Interim City Manager Donald E. Penman, Assistant City Attorney Serita Young, Police Chief John Curley, Community Development Director Brian Lee, Public Works Director Siobhan Foster, Parks and Recreation/Library Director Amy Hall-McGrade, Human Resources Director Danielle Tellez, Finance Director Anita Agramonte, Acting Assistant Fire Chief Jim Enriquez, and Chief Deputy City Clerk/Records Management Director Sharon F. Clark.

#### CLOSED SESSION

**A. Government Code § 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Danielle Tellez, Human Resources Director

Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME); Police Association of Covina (PAC); Police Management Group (PMG); and Police Supervisors of Covina (PSC)

**B. Government Code § 54956.9(d)(1) – CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION**

- Name of Case: Christopher Ulmer v. City of Covina, Case No. ADJ9918661 and ADJ 9164103

**C. Government Code §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Property: 345 S. Citrus Avenue  
Agency negotiator: Don Penman, Interim City Manager  
Negotiating parties: LA Land Company, Andrew C. Lee  
Under negotiation: Price and Terms

**RECONVENE AND CALL TO ORDER**

Mayor Stapleton reconvened the meeting into open session at 7:30 p.m. with all councilmembers present.

**PLEDGE OF ALLEGIANCE**

Mayor Stapleton led the Pledge of Allegiance.

**INVOCATION**

Covina Police Chaplain Truax gave the invocation.

**PRESENTATIONS**

*Charter Oak Advanced Choral Ensemble “ACE”*

Several choral selections were performed by the Charter Oak Advanced Choral Ensemble “ACE” under the direction of Rebecca Schmalzbach, Choir Director for Charter Oak Unified School District.

*Resolution Granting Permission for Santa to Fly Over Covina*

Mayor Stapleton read a Resolution granting Santa permission to fly over Covina airspace to special guest, Santa Claus. Santa then presented gifts to two nieces of Mayor Pro Tem Marquez.

*Recognition of the Covina Police Department Volunteer and Explorer of the Year*

Mayor Stapleton presented plaques in appreciation to Covina Police Department Volunteer of the Year Gary Hynes and Police Explorer of the Year Sergeant Leslie Coursey.

Police Chief Curley recognized Explorer Advisor Sergeant Ryan Davis, and Officers Frank Medina and Stephen Hickey for their work with the Police Explorers.

**CLOSED SESSION REPORT**

Assistant City Attorney Young announced that there was no reportable action taken in Closed Session.

## **PUBLIC COMMENTS**

Dora Gomez of Project 2911 thanked Council, the Police and Fire Departments, and volunteers for their assistance and contributions for the Community Christmas Party event on Saturday, December 10, 2016.

## **COUNCIL/AGENCY/AUTHORITY COMMENTS**

Councilmember King commended the Covina Assembly of God/Project 2911 event and volunteers who participated, commented that the Wine Walk had been a nice holiday event, and wished everyone a wonderful holiday season.

Councilmember Allen agreed with comments about the Covina Assembly of God event and thanked the Pastor and volunteers; commented that faith-based communities in Covina are very involved; thanked the employees of Covina who do such wonderful work to serve the citizens of Covina; and wished all a Merry Christmas and a Happy New Year.

Councilmember Delach agreed with comments by her colleagues; wished all a Merry Christmas and Happy New Year; thanked all employees and the faith-based community; and thanked Interim City Manager Penman for doing an amazing job in the City's time of need and commended his grace and professionalism.

Mayor Pro Tem Marquez thanked Interim City Manager Penman for his service; commented that one of his favorite Council meetings is when the Charter Oak Choir comes; commended the work that Project 2911 does for the community; encouraged all to shop Covina; congratulated City Treasurer Cobbett and City Clerk Walczak for having no opponents in the upcoming election; and expressed wishes for a Merry Christmas and Happy Hanukkah.

Mayor Stapleton commented on recent events:

- Police Department Volunteer Recognition and Holiday Dinner
- Covina Concert Band Free Christmas Concert
- Sanitation District Meeting on December 16, 2016

He announced the following Holiday closures:

- City Hall, Public Works, and Parks and Recreation from Monday, December 26, 2016, through Monday, January 2, 2017;
- Covina Public Library on December 24 and 31, 2016;
- Senior Services from Monday, December 6, 2016, through Monday, January 2, 2017.

Police Chief Curley announced a holiday parking moratorium through Tuesday, January 3, 2017, at 2:00 a.m.

Mayor Stapleton commended Interim City Manager Penman's contributions and leadership, and acknowledged incoming City Manager Brian Saeki.

Councilmember King commended Interim City Manager Penman's calming influence and leadership in doing a phenomenal job, including hiring one of the greatest Police Chiefs the City may ever have; and thanked him for his service to Covina.

Councilmember Allen commended Interim City Manager Penman as a consummate professional with a stellar reputation who brought tremendous wisdom to Covina, commented he hates to see him go, and that he is looking forward to having new City Manager Brian Saeki.

**CITY MANAGER COMMENTS**

Interim City Manager thanked Council for the confidence shown to him and the kind comments; commended the great City staff; commented that the department-head team is very hard-working; thanked his Executive Assistant Monica Vargas for her assistance; and thanked his wife, Debbie, for being supportive through his four interim jobs since retirement.

**CONSENT CALENDAR**

A motion was made by Mayor Pro Tem Marquez, seconded by Councilmember King, to approve Consent Calendar items CC 1 – 13 as presented.

*Motion approved Consent Calendar items CC 1 – 13 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

- CC 1. City Council approved the Minutes of the November 29, 2016, Special Meeting and December 6, 2016, Regular Meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Housing Authority.
- CC 2. City Council approved the payment of City Demands in the amount of \$3,621,557.56.
- CC 3. Successor Agency to the Covina Redevelopment Agency approved the payment of Agency Demands in the Amount of \$66,110.33.
- CC 4. City Council adopted **Resolution No. 16-7572** confirming continued existence of an emergency condition for the Residual Control System at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.
- CC 5. City Council: 1) Accepted the work performed by Enterprise Security, Inc. in the amount of \$195,869.99; and 2) Authorized the City Clerk to file a Notice of Completion for the City Hall Access System, Project No. 1404.
- CC 6. City Council: 1) Authorized the Interim City Manager to execute the Fourth Amendment to Contract with Computer Service Company for Traffic Signal Maintenance; and 2) Adopted **Resolution No. 16-7581** to amend the FY 2017 Operating Budget to increase funding for traffic signal maintenance by \$6,000 for the replacement of a new streetlight pole at 742 W. Cypress Street and appropriate the necessary funds from the State Gas Tax Fund balance.

- CC 7. City Council: 1) Authorized the Interim City Manager to execute the Third Amendment to Professional Services Agreement with Covina Irrigating Company for water system and water quality consulting services; and 2) Adopted **Resolution No. 16-7580** to amend the FY 2017 Operating Budget to increase funding for the Water Administration consulting services by \$52,000 for the Third Amendment to Professional Services Agreement with Covina Irrigating Company and appropriate the necessary funds from Water Utility Administration fund balance.
- CC 8. City Council adopted a joint tax-sharing resolution, City Council **Resolution No. 16-7573**, approving and accepting the negotiated exchange of property-tax revenues resulting from the annexation of specific property into Los Angeles County Sanitation District No. 22.
- CC 9. City Council: 1) Authorized the Interim City Manager to execute the Professional Services Agreement with Leverage Information Systems, Inc. for the procurement and installation of the Covina Metrolink Station Camera System in an amount not-to-exceed \$143,473.32; and 2) Adopted **Resolution No. 16-7578** to amend the FY 2017 Capital Improvement Program (CIP) Budget to increase funding for the procurement and installation of the Covina Metrolink Station Camera System by \$8,473.32 and appropriate the necessary funds from available Proposition A Fund balance.
- CC 10. City Council: 1) Authorized the Interim City Manager to execute the Sales Agreement with A-Z Bus Sales, Inc. for the procurement of a new Covina Transit Vehicle in an amount not-to-exceed \$77, 594.70; and 2) **Adopted Resolution No. 16-7577** to amend the FY 2017 Capital Improvement Program (CIP) Budget to increase funding for the procurement of a new Covina Transit Vehicle by \$17,594.70 and appropriate the necessary funds from Proposition C Fund balance.
- CC 11. City Council: 1) Awarded the contract for Miscellaneous Concrete and Asphalt Repairs, Phase II to FS Contractors, Inc. in an amount not-to-exceed \$90,725 and authorized the Interim City Manager to execute the contract; and 2) Adopted **Resolution No. 16-7579** to amend the FY 2017 Capital Improvement Program Budget to increase funding for the project by \$15,508 for improvements to the West Badillo Municipal Parking Lot located within City of Covina Parking District No. 1 and appropriate the necessary funds from the Municipal Parking District Fund balance.
- CC 12. City Council adopted **Resolution No. 16-7576** – City of Covina Complete Streets Policy.
- CC 13. City Council: 1) Authorized the Interim City Manager to execute a Professional Services Agreement with Griswold Industries, Manufacturer of Cla-Val Automatic Control Valves, for valve-maintenance services in an amount not-to-exceed \$57,081.08 for the scope of service contained in Attachment A to the staff report, subject to the City Attorney’s review and approval as to form; and 2) Adopted **Resolution No. 16-7583** to amend the FY 2017 Operating Budget to add \$57,081.08 in funding for the Agreement and appropriate the necessary funds from Water Utility Administration Fund balance.

**PUBLIC HEARING** – None.

**CONTINUED BUSINESS**

**CB 1. Covina Senior and Community Center Project – Designation of Final Site for Placement of New Center.**

The staff report and a PowerPoint presentation were presented by Public Works Director Foster.

Members of the public Lillian Grana, Joan Kucharsky, President of the Covina Woman’s Club, and Cathy Solorzano spoke in favor of Kelby Park as the location for the new center.

Mayor Stapleton encouraged contacting the City Manager for accurate information on the project.

Discussion included the systematic process used to arrive at a location decision; appreciation for the Covina Woman’s Club for offering their building as a possible location; concerns about the funding for the project and a request from Mayor Pro Tem Marquez and Mayor Stapleton for staff to bring an item on funding options to Council at the January 17, 2017 meeting; building the new center in stages; and the status of demolition for the existing building,

A motion was made by Councilmember Delach, seconded by Councilmember King, to:

1. Receive and file the Covina Woman’s Club Physical Assessment for Adaptation to Covina Senior and Community Center Report, prepared by Gonzalez Goodale Architects; and
2. Direct staff to proceed with Kelby Park as the final site for the placement of the Covina Senior and Community Center as soon as possible, and present funding options and next steps to Council at the January 17, 2017, regular meeting.

*Motion approved Continued Business item CB 1 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**NEW BUSINESS**

**NB 1. Resolutions Relating to the Annexation of Territory to Community Facilities District No. 2007-1 (800 N. Banna Avenue, Covina).**

The staff report was presented by Community Development Director Lee. There was no public comment.

A motion was made by Councilmember King, seconded by Councilmember Allen, to:

1. Adopt City **Resolution No. 16-7574**, declaring intention to authorize the annexation of territory to Community Facilities District No. 2007-1 (Public Services); and
2. Adopt City **Resolution No. 16-7575**, adopting boundary map showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1 (Public Services).

*Motion approved New Business item NB 1 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**NB 2. Consideration of Public Information Program Regarding Utility Users Tax Measure on March 7, 2017 Ballot.**

The staff report was presented by Interim City Manager Penman. There was no public comment.

Discussion included the benefits of an information program, whether materials would be outsourced or created internally, methods of dissemination, approximate cost, funding coming from the City Manager's budget, coordinating with the citizens' committee to have a clear message, the City's information campaign being separate from the citizens' committee efforts, and whether to defer this matter to the January 17, 2017, Council meeting.

A motion was made by Councilmember Delach, seconded by Councilmember King, to direct staff to initiate a public information campaign and determine resources necessary to carry out that program.

*Motion approved New Business item NB 2 as follows:*

**AYES: ALLEN, DELACH, KING, MARQUEZ, STAPLETON**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**ADJOURNMENT**

At 9:08 p.m., the meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority was adjourned to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, January 17, 2017, at 5:00 p.m. for study session in the Covina Library Community Room at 234 N. Second Avenue, Covina, California, 91723; and at 6:30 p.m. for closed session and 7:30 p.m. for open session inside the Council Chamber, 125 East College Street, Covina, California, 91723.

Respectfully submitted:

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Sharon F. Clark, CMC  
Chief Deputy City Clerk

Approved this 17<sup>th</sup> day of January, 2017:

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Kevin Stapleton, Mayor/Chair

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**CITY OF COVINA**  
**AGENDA REPORT**

ITEM NO. CC 2

**MEETING DATE:** January 17, 2017

**TITLE:** Payment of Demands

**PRESENTED BY:** Geoffrey Cobbett, City Treasurer  
 Anita Agramonte, Finance Director

**RECOMMENDATION:** Approve Payment of Demands in the amount of \$3,114,529.95

**BACKGROUND:**

Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>		<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
<b>ACCOUNTS PAYABLE WARRANTS</b>			
Dec. 2 - Dec. 29, 2016	Wires/EFTs	5192-5198	\$ 25,206.61
	Checks	83078-83337	\$ 2,017,634.15
<b><u>PAYROLL</u></b>			
12/15/16			\$ 514,669.35
12/29/16			\$ 521,662.91
<b><u>VOIDS</u></b>			
			\$ (2,350.00)
<b><u>WORKERS COMPENSATION</u></b>			
Dec. 2 - Dec. 29, 2016			\$ 37,706.93
		<b>GRAND TOTAL:</b>	<b>\$ 3,114,529.95</b>

**DISCUSSION:**

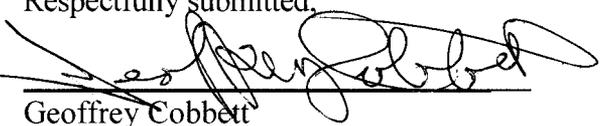
The attached reports have been reviewed by the City Treasurer and by the Finance Director.

**FISCAL IMPACT:**

Sufficient funding is available and the related costs are included in the Fiscal Year 16/17 Adopted Budget.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

Respectfully submitted,

  
 \_\_\_\_\_  
 Geoffrey Cobbett  
 City Treasurer

  
 \_\_\_\_\_  
 Anita Agramonte  
 Finance Director

**ATTACHMENTS:**

Attachment A: Check Register

CITY OF COVINA  
Check Register  
Dec. 2 - Dec. 15, 2016

Check #	Check Date	Vendor	Name	Amount
5192	12/15/16	4160	ICMA	150.00
5193	12/15/16	1405	ICMA RETIREMENT	4,243.47
5194	12/15/16	4003	MidAmerica	2,085.32
5195	12/15/16	2033	NATIONWIDE RETI	11,050.00
5196	12/15/16	4223	ZUMWALT, KRISTI	886.00
5197	12/22/16	4003	MidAmerica	1,791.82
5198	12/22/16	2033	NATIONWIDE RETI	5,000.00
			<b>subtotal EFT/wires</b>	<b>\$25,206.61</b>
83078	12/8/16	26	ABSOLUTE SECURI	3,541.44
83079	12/8/16	68	AFLAC	12.05
83080	12/8/16	128	ALLIANT INSURAN	2,202.00
83081	12/8/16	3789	AMAZON LLC	355.73
83082	12/8/16	220	AT&T LONG DISTA	39.24
83083	12/8/16	245	AVILA, MONIQUE	154.52
83084	12/8/16	254	AZUSA LIGHT & W	1,540.05
83085	12/8/16	255	AZUSA PLUMBING	43.29
83086	12/8/16	260	B & K ELECTRIC	33.53
83087	12/8/16	269	BAKER AND TAYLO	2,529.49
83088	12/8/16	4307	BROADSPEC INC	30,000.00
83089	12/8/16	430	BUILDING ELECTR	75.00
83090	12/8/16	4561	CALIF. ASSOC. O	689.00
83091	12/8/16	487	CalPERS	3,747.72
83092	12/8/16	568	CAT SPECIALTIES	161.05
83093	12/8/16	618	CHARTER OAK HAR	136.58
83094	12/8/16	649	CINTAS CORP #69	228.89
83095	12/8/16	700	COLLEY FORD	368.07
83096	12/8/16	720	COMPUTER SERVIC	5,700.66
83097	12/8/16	749	COUNSELING TEAM	840.00
83098	12/8/16	771	COVINA IRRIGATI	59,081.21
83099	12/8/16	4431	CURT PRINGLE &	10,371.50
83100	12/8/16	878	DELTA DENTAL OF	366.06
83101	12/8/16	964	EBSCO SUBSCRIPT	3,487.49
83102	12/8/16	970	EDISON CO	6,777.34
83103	12/8/16	1098	FOSTER, DAVE	250.00
83104	12/8/16	4455	FRONTIER CALIFO	1,646.29
83105	12/8/16	4448	FS CONTRACTORS,	6,111.00
83106	12/8/16	1156	GAS COMPANY, TH	2,388.51
83107	12/8/16	1198	GLOBALSTAR LLC	69.87
83108	12/8/16	1204	GOLDEN STATE WA	228.64
83109	12/8/16	1235	GRAINGER	166.08
83110	12/8/16	1241	GRAND PRINTING	129.27
83111	12/8/16	1247	GREAT WEST LIFE	50.00
83112	12/8/16	4560	H D SUPPLY WATE	1,573.60
83113	12/8/16	1275	HAAKER EQUIPMEN	769.71

CITY OF COVINA  
Check Register  
Dec. 2 - Dec. 15, 2016

83114	12/8/16	4463	HARTZOG & CRABI	3,092.00
83115	12/8/16	1361	HOLLIDAY ROCK C	247.43
83116	12/8/16	1364	HOME DEPOT	301.01
83117	12/8/16	1387	HUNTER, JOHN L.	1,505.00
83118	12/8/16	1428	INGRAM DIST GRO	71.47
83119	12/8/16	1429	INLAND EMPIRE S	2,846.00
83120	12/8/16	4077	INTERWEST CONSU	20,400.00
83121	12/8/16	1463	J.G. TUCKER AND	46.43
83122	12/8/16	1501	JOHN CATERINO P	80.00
83123	12/8/16	4540	KAREN KELSO	3,600.00
83124	12/8/16	3751	KELLY ASSOCIATE	3,583.75
83125	12/8/16	1609	LA CNTY COUNTY	20,600.41
83126	12/8/16	1612	LA CNTY DEPT OF	1,660.05
83127	12/8/16	1613	LA CNTY DISTRIC	225.53
83128	12/8/16	1615	LA CNTY MTA	260.00
83129	12/8/16	1663	LAW ENFORCEMENT	55.00
83130	12/8/16	1673	LAWSON PRODUCTS	113.99
83131	12/8/16	3169	LOGAN SUPPLY CO	334.42
83132	12/8/16	1924	MILLERS & ISHAM	282.78
83133	12/8/16	1933	MISSION LINEN S	65.49
83134	12/8/16	4564	NATIONAL UNION	545.46
83135	12/8/16	2104	OFFICE DEPOT	23.95
83136	12/8/16	99999	One Time Pay	35.00
83137	12/8/16	2163	PACIFIC PARKING	495.00
83138	12/8/16	2238	PEST OPTIONS IN	265.00
83139	12/8/16	2407	REGIONAL TAP SE	2,262.04
83140	12/8/16	4122	RESIDENCE INN	825.35
83141	12/8/16	2426	REYNOLDS BUICK	21.12
83142	12/8/16	3796	RICHARDS, WATSO	14,479.49
83143	12/8/16	4350	RKA Consulting	55,027.00
83144	12/8/16	4298	SCOFIELD, JEANN	2,350.00
83145	12/8/16	2711	SOUTHEAST CONST	110.85
83146	12/8/16	2714	SOUTHERN CA GAS	1,536.51
83147	12/8/16	2719	SPARKLETTS	26.55
83148	12/8/16	4563	STEVEN WONG	364.70
83149	12/8/16	2852	THREE VALLEY MU	40.00
83150	12/8/16	2855	TIME WARNER CAB	24.43
83151	12/8/16	2969	VALLEY TROPHY	1,241.51
83152	12/8/16	3001	VERIZON WIRELES	805.84
83153	12/8/16	3014	VISION SERVICE	33.57
83154	12/8/16	4255	VOYA FINANCIAL	57.65
83155	12/8/16	3023	VULCAN MATERIAL	140.61
83156	12/8/16	3043	WARREN DISTRIBU	102.66
83157	12/8/16	3080	WESTERN EMULSIO	236.98
83158	12/8/16	3102	WILLDAN FINANCI	64.01

CITY OF COVINA  
Check Register  
Dec. 2 - Dec. 15, 2016

83159	12/15/16	3	12 MILES OUT.CO	1,200.00
83160	12/15/16	113	ALL CITY MANAGE	5,675.04
83161	12/15/16	160	AMERICAN WEST C	25.00
83162	12/15/16	4234	ANIMAL & BIRD V	754.55
83163	12/15/16	219	AT&T	19.46
83164	12/15/16	219	AT&T	17.85
83165	12/15/16	219	AT&T	17.85
83166	12/15/16	219	AT&T	19.46
83167	12/15/16	219	AT&T	19.46
83168	12/15/16	219	AT&T	19.46
83169	12/15/16	219	AT&T	19.46
83170	12/15/16	219	AT&T	19.46
83171	12/15/16	219	AT&T	19.46
83172	12/15/16	269	BAKER AND TAYLO	18.33
83173	12/15/16	283	BANK OF THE WES	4,346.68
83174	12/15/16	4279	BOSS JANITORIAL	2,892.10
83175	12/15/16	475	CALIBER POOL AN	1,741.06
83176	12/15/16	477	CALIF, STATE OF	25,204.15
83177	12/15/16	487	CaPERS	41,133.52
83178	12/15/16	568	CAT SPECIALTIES	261.60
83179	12/15/16	581	CCH	130.82
83180	12/15/16	634	CHEVRON PRODUCT	168.29
83181	12/15/16	649	CINTAS CORP #69	389.58
83182	12/15/16	710	COMMUNICATIONS	50.07
83183	12/15/16	749	COUNSELING TEAM	1,120.00
83184	12/15/16	771	COVINA IRRIGATI	200,871.00
83185	12/15/16	796	CPRS DISTRICT 1	50.00
83186	12/15/16	962	EAST DISTRICT S	621.00
83187	12/15/16	962	EAST DISTRICT S	6,750.00
83188	12/15/16	970	EDISON CO	63,231.87
83189	12/15/16	3925	ENFORCEMENT MOT	667.50
83190	12/15/16	1055	FEDEX	73.72
83191	12/15/16	1075	FLEET SERVICES	53.82
83192	12/15/16	1092	FORENSIC NURSE	690.00
83193	12/15/16	4455	FRONTIER CALIFO	538.97
83194	12/15/16	1156	GAS COMPANY, TH	62.21
83195	12/15/16	1197	GLOBAL WATER MA	56,461.70
83196	12/15/16	1235	GRAINGER	192.60
83197	12/15/16	4530	GVP VENTURES	8,659.03
83198	12/15/16	1427	INGLEWOOD, CITY	4,444.32
83199	12/15/16	1428	INGRAM DIST GRO	72.13
83200	12/15/16	1429	INLAND EMPIRE S	1,148.00
83201	12/15/16	4349	Intelli-Tech	3,210.05
83202	12/15/16	1505	JOHNNY'S POOL S	3,442.98
83203	12/15/16	3731	JUNIOR LIBRARY	100.17

CITY OF COVINA  
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Dec. 2 - Dec. 15, 2016

83204	12/15/16	1614	LA CNTY FIRE DE	730,712.98
83205	12/15/16	1691	LEVEL 3 COMMUNI	1,169.36
83206	12/15/16	4509	Norman A Traub	726.84
83207	12/15/16	4512	Nothing Bundt C	51.00
83208	12/15/16	99999	CHARLES TORRES	60.35
83209	12/15/16	99999	DANIELLE TELLEZ	318.52
83210	12/15/16	99999	DAVE SEGURA	21.98
83211	12/15/16	99999	EDWARD WAN TSOA	9.28
83212	12/15/16	99999	JONATHAN WANG	95.00
83213	12/15/16	99999	JONI KRAKOWIAK	135.00
83214	12/15/16	99999	JUAN SANTILLAN	200.00
83215	12/15/16	99999	JULIE WONG	7.09
83216	12/15/16	99999	MARTIN ARCE PROPERTIES	77.44
83217	12/15/16	99999	PAUL MULLIS JR	65.29
83218	12/15/16	99999	VALERIE RAMIREZ	20.12
83219	12/15/16	2134	ORKIN PEST CONT	116.41
83220	12/15/16	4238	PETCO ANIMAL SU	279.53
83221	12/15/16	2298	PRECISION SURVE	350.00
83222	12/15/16	2309	PROFESSIONAL AC	538.00
83223	12/15/16	2415	REPUBLIC MASTER	636.66
83224	12/15/16	3796	RICHARDS, WATSO	4,999.58
83225	12/15/16	4201	ROBERT HALF	4,125.00
83226	12/15/16	2676	SMART AND FINAL	355.71
83227	12/15/16	4389	SOCIAL VOCATION	1,065.90
83228	12/15/16	2716	SOUTHERN CALIFO	3,139.00
83229	12/15/16	3183	SOUTHERN CALIFO	383.33
83230	12/15/16	2737	STAPLES INC	1,330.39
83231	12/15/16	4437	TELEPACIFIC COM	1,614.56
83232	12/15/16	2903	TRI-XECUTEX COR	80.00
83233	12/15/16	3940	TYLER BUSINESS	28.83
83234	12/15/16	2958	US POSTMASTER	1,172.46
83235	12/15/16	3001	VERIZON WIRELES	1,847.47
83236	12/15/16	3134	XEROX CORPORATI	633.53
83237	12/15/16	68	AFLAC	3,854.14
83238	12/15/16	69	AFSCME	640.00
83239	12/15/16	487	CaPERS	69,606.99
83240	12/15/16	3846	CLEA	465.50
83241	12/15/16	3846	CLEA	110.25
83242	12/15/16	775	COVINA POLICE A	2,650.00
83243	12/15/16	789	COVINA-FSA, CIT	1,101.00
83244	12/15/16	878	DELTA DENTAL OF	7,138.17
83245	12/15/16	1106	FRANCHISE TAX B	400.00
83246	12/15/16	1247	GREAT WEST LIFE	3,205.10
83247	12/15/16	3795	LEGAL SHIELD	223.24
83248	12/15/16	2234	PERS	139,745.98

CITY OF COVINA  
Check Register  
Dec. 2 - Dec. 15, 2016

83249	12/15/16	2235	PERS LONG TERM	169.82
83250	12/15/16	4547	PREMIERE CREDIT	291.58
83251	12/15/16	2946	UNITED WAY OF G	17.50
83252	12/15/16	3014	VISION SERVICE	736.59
83253	12/15/16	4255	VOYA FINANCIAL	3,976.49
83254	12/15/16	3045	WASHINGTON NATI	46.10
83255	12/21/16	128	ALLIANT INSURAN	2,241.00
83256	12/21/16	3789	AMAZON LLC	414.68
83257	12/21/16	219	AT&T	734.13
83258	12/21/16	219	AT&T	2,403.76
83259	12/21/16	255	AZUSA PLUMBING	77.22
83260	12/21/16	269	BAKER AND TAYLO	746.94
83261	12/21/16	4475	BLUERAY MANAGEM	18,198.00
83262	12/21/16	536	CARQUEST AUTO P	186.38
83263	12/21/16	568	CAT SPECIALTIES	65.18
83264	12/21/16	580	CCAC	130.00
83265	12/21/16	649	CINTAS CORP #69	159.45
83266	12/21/16	653	CITRUS AUTO UPH	170.90
83267	12/21/16	654	CITRUS CAR WASH	339.15
83268	12/21/16	703	COMBINED GRAPHI	15.47
83269	12/21/16	720	COMPUTER SERVIC	3,446.00
83270	12/21/16	693	COSUGI	100.00
83271	12/21/16	771	COVINA IRRIGATI	50.00
83272	12/21/16	783	COVINA WATER	1,788.71
83273	12/21/16	788	COVINA, CITY OF	2,050.00
83274	12/21/16	829	CURLEY, JOHN	63.50
83275	12/21/16	835	D & D GOLF CARS	872.00
83276	12/21/16	3164	DIVERSIFIED TRA	25,385.07
83277	12/21/16	958	E.H. WACHS COMP	663.60
83278	12/21/16	970	EDISON CO	1,281.44
83279	12/21/16	1025	EVANS, LISA	70.00
83280	12/21/16	4455	FRONTIER CALIFO	993.25
83281	12/21/16	1156	GAS COMPANY, TH	610.37
83282	12/21/16	1156	GAS COMPANY, TH	2,083.31
83283	12/21/16	4338	GOKOO, ROBERT	1,258.00
83284	12/21/16	1204	GOLDEN STATE WA	57.01
83285	12/21/16	1235	GRAINGER	331.63
83286	12/21/16	1241	GRAND PRINTING	21.23
83287	12/21/16	4560	H D SUPPLY WATE	5,505.61
83288	12/21/16	1282	HALL-McGRADE, A	373.93
83289	12/21/16	1364	HOME DEPOT	1,360.56
83290	12/21/16	1393	HYATT REGENCY S	590.66
83291	12/21/16	3988	HYDRO CONNECTIO	8.62
83292	12/21/16	1409	IDVILLE	345.07
83293	12/21/16	1429	INLAND EMPIRE S	653.00

CITY OF COVINA  
 Check Register  
 Dec. 2 - Dec. 15, 2016

83294	12/21/16	3854	IPC INC.	16,324.86
83295	12/21/16	1463	J.G. TUCKER AND	213.95
83296	12/21/16	4220	KJ SERVICES ENV	320.00
83297	12/21/16	1603	LA CNTY	352.00
83298	12/21/16	1633	LACPCA	300.00
83299	12/21/16	4341	Landcare	8,772.49
83300	12/21/16	1860	MCNEILL SOUND &	302.79
83301	12/21/16	2027	NAPA AUTO PARTS	20.52
83302	12/21/16	2091	O REILLY AUTO P	104.29
83303	12/21/16	2101	OCLC/FOREST PRE	1,341.58
83304	12/21/16	99999	BEULAH AUTEN	22.00
83305	12/21/16	99999	CATALINA SEVERSON	50.00
83306	12/21/16	99999	CONSTANCE ANGELES	84.00
83307	12/21/16	99999	CRYSTAL ARJONA	24.00
83308	12/21/16	99999	DELORES SIMS	96.00
83309	12/21/16	99999	DON PENMAN	79.33
83310	12/21/16	99999	ENRIQUE ONTIVEROS	31.00
83311	12/21/16	99999	ERIC TWETEN	42.00
83312	12/21/16	99999	LILIAN PEREIRA	31.10
83313	12/21/16	99999	SANDRA SERRANO	44.00
83314	12/21/16	99999	YAN SUN	29.99
83315	12/21/16	2238	PEST OPTIONS IN	95.00
83316	12/21/16	4566	Pro Outdoor Mov	658.92
83317	12/21/16	2539	SAN DIMAS, CITY	556.59
83318	12/21/16	2646	SHOWCASES	270.00
83319	12/21/16	2676	SMART AND FINAL	454.64
83320	12/21/16	2705	SOUTH COAST AQM	479.21
83321	12/21/16	2737	STAPLES INC	1,346.52
83322	12/21/16	3811	State Architect	1,305.00
83323	12/21/16	3950	STERICYCLE, INC	295.25
83324	12/21/16	2755	STETSON ENGINEE	270.75
83325	12/21/16	2778	SUPERIOR PAVEME	10,509.80
83326	12/21/16	2855	TIME WARNER CAB	1,196.36
83327	12/21/16	2969	VALLEY TROPHY	238.43
83328	12/21/16	3001	VERIZON WIRELES	2,340.39
83329	12/21/16	3043	WARREN DISTRIBU	187.47
83330	12/21/16	3070	WEST COAST ARBO	672.00
83331	12/21/16	3117	WONDRIES FLEET	26,393.29
83332	12/21/16	3134	XEROX CORPORATI	252.41
83333	12/21/16	3135	XO COMMUNICATIO	5,081.43
83334	12/21/16	3152	YWCA	2,125.45
83335	12/22/16	878	DELTA DENTAL OF	61.01
83336	12/22/16	2234	PERS	144,683.11
83337	12/22/16	3014	VISION SERVICE	10.63

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CITY OF COVINA  
Check Register  
Dec. 2 - Dec. 15, 2016

			<b>subtotal checks</b>	<b>\$ 2,017,634.15</b>
			<b>voids (prior to current mo.)</b>	
80965	7/21/16	4298	SCOFIELD, JEANETTE	<b>\$ (2,350.00)</b>
			<b>payroll 12/15/16</b>	<b>\$ 514,669.35</b>
			<b>payroll 12/29/16</b>	<b>\$ 521,662.91</b>
			<b>subtotal workers' compensation</b>	<b>\$ 37,706.93</b>
			<b>TOTAL checks/EFTs</b>	<b>\$3,114,529.95</b>

STATE OF CALIFORNIA        )  
  ) ss:  
COUNTY OF LOS ANGELES    )

I, Anita Agramonte, being first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the City of Covina accounts payable for 12/02/16-12/29/16; payroll for 12/15/16 and 12/29/16; workers' compensation and voids for 12/02/16-12/29/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director

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**SUCCESSOR AGENCY TO THE  
COVINA REDEVELOPMENT AGENCY**

**AGENDA REPORT**

ITEM NO. CC 3

**MEETING DATE:** January 17, 2017

**TITLE:** Payment of Demands

**PRESENTED BY:** Geoffrey Cobbett, City Treasurer  
Anita Agramonte, Finance Director

**RECOMMENDATION:** Approve Payment of Demands in the amount of \$62,841.00

**BACKGROUND:** Attached is a list of warrants and demands which are being presented for approval and are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
Dec. 1 - Dec. 29, 2016	1403-1410	\$51,387.86
<u>VOIDS</u>		\$0.00
<u>PAYROLL</u>		
Dec. 15, 2016		\$5,893.74
Dec. 29, 2016		\$5,559.40
	<b>GRAND TOTAL:</b>	<b>\$62,841.00</b>

**DISCUSSION:**

The attached reports have been reviewed by the City Treasurer and by the Finance Director.

**FISCAL IMPACT:**

Sufficient funding is available and the related costs are included in the Fiscal Year 16/17 Adopted Budget.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

Respectfully submitted,

Geoffrey Cobbett  
City Treasurer

Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: Check Register

SUCCESSOR AGENCY TO THE  
 COVINA REDEVELOPMENT AGENCY  
 Check Register  
 Dec. 2 - Dec. 29, 2016

Check #	Check Date	Vendor	Name	Amount
1403	12/15/16	766	COVINA DISPOSAL	86.88
1404	12/15/16	896	DH MAINTENANCE	95.00
1405	12/15/16	4455	FRONTIER CALIFO	85.68
1406	12/15/16	1156	GAS COMPANY, TH	28.66
1407	12/15/16	1364	HOME DEPOT	40.29
1408	12/15/16	1754	LOWE'S COMPANIE	1.35
1409	12/15/16	3796	RICHARDS, WATSO	1,210.00
1410	12/15/16	2452	RJS FINANCIAL	49,840.00
<i>subtotal checks</i>				<b>\$51,387.86</b>
<i>voids (prior to current mo.)</i>				<b>\$0.00</b>
<i>payroll 12/15/16</i>				<b>\$5,893.74</b>
<i>payroll 12/29/17</i>				<b>\$5,559.40</b>
<b>TOTAL CHECKS/EFT's</b>				<b>\$62,841.00</b>

STATE OF CALIFORNIA        )  
  ) ss:  
COUNTY OF LOS ANGELES    )

I, Anita Agramonte, first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the Covina Successor Agency to the Covina Redevelopment Agency accounts payable and voids for 12/02/16-12/29/16 and payroll for 12/15/16 and 12/29/16; know the contents thereof, and do certify as to the accuracy of the attached demands and the availability of funds for their payment pursuant to the Government Code Section 37202.

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 4

**MEETING DATE:** January 17, 2017

**TITLE:** City Council to Adopt **Resolution CC 17-01** Confirming Continued Existence of an Emergency Condition for Residual Control System at Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of Public Contracts Code, Adopt **Resolution CC 17-02** to Amend FY 2017 Capital Improvement Budget to Increase Funding for Residual Control System at Charter Oak Site, and Authorize City Manager to Execute Change Order No. 3 and Second Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Adoption of Resolution **CC 17-01** confirming continued existence of an emergency condition for the Residual Control System (RCS) at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code;
- 2) Adoption of Resolution **CC 17-02** to amend the FY 2017 Capital Improvement Budget to increase funding by \$4,000 to install new underground electrical conduit and electrical circuit for Tank No. 4 at the Charter Oak Reservoir Site and appropriate the necessary funds from Water Capital Improvement Fund balance;
- 3) Approve Change Order No. 3 to install new underground electrical conduit and electrical circuit for Tank No. 4, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by \$4,000, from \$140,000 to \$144,000;
- 4) Authorize the City Manager to execute Change Order No. 3; and
- 5) Authorize the City Manager to execute the Second Amendment to the Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

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**BACKGROUND:**

The Charter Oak site consists of four above-ground reservoirs each with a 3 million gallon (MG) capacity. Water Zone 1 and Water Zone 2 are supplied via the Charter Oak Booster Pump Station. Water Zone 1 is the largest zone, encompassing the low elevation area that occupies the west and central portion of the City's water system. The northern and eastern portions of the system comprise Water Zone 2.

Name	Material	Year Constructed	Capacity (MG)
Charter Oak Reservoir 1	Concrete	1954	3.0
Charter Oak Reservoir 2	Steel	1957	3.0
Charter Oak Reservoir 3	Steel	1964	3.0
Charter Oak Reservoir 4	Concrete	2014	3.0

As the City of Covina does not pump its own water, the City relies on water from Covina Irrigating Company (CIC) and the Metropolitan Water District of Southern California (MWD) through the Three Valleys Municipal Water District (TVMWD). CIC's water comes predominantly from the San Gabriel River and Main San Gabriel Valley Groundwater Basin. Water from CIC enters at two points in the City's water system. There is a connection at Cypress Reservoir, which is 3000 gallons per minute (gpm), and another at Forestdale Reservoir at 4000 gpm.

The City also has a connection with TVMWD, which treats water from the Metropolitan Water District of Southern California (MWD). The connection is located at the Charter Oak site with an 8,980 gpm capacity. MWD's primary source of water in this area is the Colorado River. Currently, however, MWD is receiving water from the State Water Project system. The City operates this connection during periods of high demand.

The City's water suppliers, CIC and MWD, both use chloramines for disinfection purposes. MWD has used chloramines since 1984, as this disinfection method endures well and provides longer-lasting disinfection to water that travels long distances to its multiple water purveyors. CIC began using chloramines on May 4, 2015 when it implemented ultra-violet treatment at the William B. Temple Water Treatment Plant No 1. The State Water Resources Control Board, Division of Drinking Water (SWRCB), was insistent that CIC use chloramines for disinfection purposes to be compatible with MWD water. Prior to May 2015, CIC used free chlorine as a disinfectant, and since Covina's water supply would typically be a blend of CIC and MWD water, a blended combination of chlorine and chloramines would have been present in the City's water supply in varying quantities depending on the mix of water in the City's distribution system at any given time.

The City of Covina is required to test for all regulated contaminants in its water system including bacteriological quality and disinfectant residual at water-sampling stations throughout the system. The City collects and analyzes approximately 50 water samples each month.

Since Covina's water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. Nitrification can degrade a distribution system's water quality and negatively affect regulatory compliance and lead to health and safety concerns if not properly managed. Once nitrification has started, it can be difficult to control. A key symptom of nitrification may be the decrease of chloramine residual as it travels through the distribution system. Given the potential for serious water quality, health, and safety concerns that may result from nitrification, it is imperative to prevent nitrification from occurring in the first place, or barring that, promptly remediate nitrification as soon as it is discovered.

Nitrification usually occurs when water temperatures are warmer and water usage is low. To mitigate the possibility of nitrification, the City seeks to cycle water in the reservoir tanks, reduce the age of the water stored by keeping water moving through the system, and reduce the volume of water stored in reservoirs during extended periods of low water demand.

Understanding that nitrification may occur at any time when chloramines are used to treat water, the Department of Public Works recommended the implementation of a residual control system (RCS). This system includes the chemical feed system, water quality station, and smart controller as a longer-term strategy at the City's largest reservoir, the Charter Oak site.

On August 16, 2016, the City Council adopted Resolution No. 16-7508 for the RCS at the Charter Oak Reservoir Site Emergency Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors and vendors to respond to the emergency condition at the Charter Oak Reservoir Site.

On September 6, 2016, the City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On September 20, 2016, the City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On October 4, 2016, the City Council adopted Resolution No. 16-7535 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On October 18, 2016, the City Council adopted Resolution No. 16-7539 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code and approved Change Order No. 1 to furnish a temporary RCS rental unit, including trailer delivery, one month rental fee, and installation of trailer and mixer, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by \$8,500, from \$126,000 to \$134,500. The City Council also authorized the Interim City Manager to execute Change Order No 1.

On November 1, 2016, the City Council adopted Resolution No. 16-7549 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On November 15, 2016, the City Council adopted Resolution No. 16-7553 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

On December 6, 2016, the City Council adopted Resolution No. 16-7563 confirming the continued existence of the emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code, Resolution No. 16-7567 amending the FY 2017 Capital Improvement Budget to increase funding for RCS at Charter Oak Site, and approved Change Order No. 2 to retain the temporary RCS rental unit for an additional one month period through January 3, 2017, increasing the contract cost with Doane and Hartwig Water Systems Inc. by \$5,500, from \$134,500 to \$140,000. The City Council also authorized the Interim City Manager to execute Change Order No. 2 and the First Amendment to Professional Services Agreement with Doane and Hartwig Water Systems, Inc.

On December 20, 2016, the City Council adopted Resolution No. 16-7572 confirming the continued existence of the emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

Public Contracts Code Section 22050 requires a governing body that takes action pursuant to subdivision (a) of that Section to review the Emergency action at its next regularly scheduled meeting, and by four-fifths vote, determine that there is a need to continue the action. Adoption of Resolution No. 16-7572 will confirm the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code.

**DISCUSSION:**

The City Council's adoption of Resolution No. 16-7508 on August 16, 2016 made the findings needed to allow the City Manager to immediately retain the services necessary for the RCS unit at the Charter Oak Reservoir Site, pursuant to the Public Contracts Code Sections 20168 and 22050. The City retained services, without competitive bidding, with Doane and Hartwig Water Systems, Inc. to provide an RCS System. This system includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the proper configuration and installation of the SCADA system.

On August 23, 2016, Public Works staff met with CIC and James Ko, Associate Sanitary Engineer, from the State Water Resources Control Board, Division of Drinking Water (SWRCB), and discussed the 1) importance of developing a relationship with the City's assigned engineer; 2) symptoms of nitrification occurring at the Charter Oak Reservoir site; 3) RCS project, approved by the City Council on August 16, 2016; and 4) to discern if there are any modifications required to the City's operating permit.

On September 20, 2016, the City and CIC representatives had a follow-up meeting with Mr. Ko and reviewed the water quality enhancements that have been made at the Charter Oak Reservoir site through operational treatment methods and the cleaning of Tank No. 4 at the site. Prior to the next meeting with Mr. Ko, scheduled for November 15, 2016, the City is expected to make similar enhancements to the Rancho Simi Reservoir and other reservoir sites. This can be accomplished through tank operational adjustments, tank cleaning, and/or chemical treatment.

From October 4, 2016 to October 12, 2016, the City partnered with Rowland Water District for technical assistance in addressing the challenges inherent with chloramination through the use of an RCS system. Rowland Water District assisted the City of Covina with the provision of a mobile RCS unit and qualified personnel to enhance the water quality and address the symptoms of nitrification at the Rancho Simi Reservoir. Rowland Water District is one of a number of local agencies using RCS technology and had found it to be a proven methodology to mitigate the symptoms of nitrification in its water system.

On October 24, 2016, Doane and Hartwig Water Systems, Inc., the supplier of the RCS unit the City is purchasing, furnished the temporary RCS rental unit, pursuant to Change Order No. 1, approved by the City Council on October 18, 2016.

On October 26, 2016, City and CIC personnel performed chlorination treatment in Tank No. 2, at the Charter Oak Reservoir Site, to increase chlorine residuals. Water quality testing conducted after the treatment reflects an increase in the chlorine residual level. On November 1, 2016, similar treatment was conducted in Tank No. 3 with the same results. The chemical treatment performed on both tanks is within the parameters provided by Mr. Ko at the September 20, 2016 meeting.

On November 7, 2016, Doane and Hartwig Water Systems, Inc. trained City and CIC personnel on the use of the temporary, rental RCS unit. The City and CIC representatives subsequently implemented the RCS unit and initiated chemical dosing at the Rancho Simi Reservoir site.

On November 15, 2016, the City and CIC representatives had a follow-up meeting with Mr. Ko to review the water quality enhancements that have been made at the Charter Oak, Rancho Simi, and Rancho La Merced Reservoir sites, and the City's distribution system waterline flushing program. Mr. Ko indicated he is satisfied with the City's efforts to enhance water quality and cited the following beneficial steps that were taken:

- Purchase of the mobile Residual Control System (RCS) unit, as approved by the City Council on August 16, 2016;
- Installation of the PAX Mixer at the Rancho La Merced Reservoir, as approved by the City Council on October 4, 2016;
- Partnering with Rowland Water District for technical assistance and use of the District's RCS system. Rowland Water District assisted the City of Covina with the provision of a mobile RCS unit and qualified personnel at the Rancho Simi Reservoir, from October 4, 2016 to October 12, 2016;
- Rental of a temporary RCS rental unit, furnished by Doane and Hartwig Water Systems, Inc., as approved by the City Council on October 18, 2016;
- Comprehensive training being provided by CIC for two City employees in the areas of water pump operations and distribution system sampling;
- Initial implementation of the City's re-focused distribution system line flushing program; and
- Hiring of Bill Peci, Interim Water Services Supervisor, as authorized by the City Council on November 1, 2016.

On November 29, 2016, CIC personnel completed comprehensive training for two City employees in the areas of water pump operations and distribution water sampling. As of December 5, 2016, City staff is performing distribution system sampling as required by SWRCB.

On December 12, 2016, Doane and Hartwig Water Systems, Inc. delivered the permanent RCS unit to the Charter Oak Reservoir Site. The electrical subcontractor was scheduled to begin work on December 8, 2016; however, there was an issue with the electrical system that prevented the subcontractor from commencing work. When conducting a field investigation, the subcontractor determined that the existing underground conduit does not have sufficient space to add the necessary wiring for a new circuit for the Tank No. 4 sample pump.

To supply power to the Tank No. 4 sample pump, the subcontractor must install a new underground conduit. The City is requesting Doane and Hartwig Water Systems, Inc. to install new underground electrical conduit and electrical circuit for the Tank No. 4 sample pump at a cost of \$4,000. As of January 5, 2017, the City Engineer reviewed Change Order No. 3 for completeness and accuracy as to the materials and labor included. This work will be completed in conjunction with the other installation work for chemical and ammonia feed to the four reservoir tanks at the Charter Oak Reservoir Site.

- Change Order No. 3 – Install new underground electrical conduit and electrical circuit for the Tank No. 4 sample pump.

After the electrical work is completed, Doane and Hartwig Water Systems Inc. will complete start-up testing for acceptance of the project. In the interim, the City is using the new RCS unit

at Rancho Simi Reservoir, replacing the rental unit, and continuing to boost disinfection residuals to enhance the distribution system water quality.

On January 4, 2017, Supervisory Control and Data Acquisition (SCADA) contractor started working on the programming changes to allow remote monitoring and control of the RCS by the City’s current SCADA system. The control equipment to be installed in the RCS to make it compatible with the SCADA system has been procured and assembled. Installation and testing is scheduled to be completed in January 2017.

On January 12, 2017, City and CIC representatives will be participating in a follow-up meeting with Mr. Ko from the SWRCB. At that time, Mr. Ko expects to see sustained progress with water quality enhancements and additional results from the City’s re-focused distribution system line flushing program. The City will also provide updates on the two capital improvement projects in progress, the purchase of the mobile RCS unit for the Charter Oak Reservoir site and the PAX mixer for the Rancho La Merced Reservoir, as approved by the City Council on August 16, 2016 and October 4, 2016, respectively.

The tentative project schedule is outlined below with project completion expected by the end of January 2017.

August 2016	September 2016	October 2016	November 2016	December 2016	January 2017
Purchase RCS	██████████				
Fabrication and installation of RCS System and related equipment		████████████████████			
RCS Start-up and training				██████████	
SCADA installation					██████████
SCADA monitoring					██████████

RCS technology is a proven methodology that has been used by several local municipalities to mitigate symptoms of nitrification in their water systems. RCS technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply.

Pursuant to Public Contracts Code Section 22050, the City Manager, through the Department of Public Works, will provide project updates at every regularly scheduled City Council meeting until the emergency project is completed.

**FISCAL IMPACT:**

The fiscal impact associated with the Charter Oak Reservoir Site – RCS Project is approximately \$171,000, including the proposed Change Order No. 3, which would provide for the installation of a new underground electrical conduit and electrical circuit for the Tank No. 4 sample pump at a cost of \$4,000. Funding in the amount of \$167,000 is available in the Department of Public Works, Water Capital Improvement budget (Account No. 6011-5080-55410-W1709). The approval of a \$4,000 appropriation from available Water Capital Improvement Fund balance to the FY 2017 CIP budget and allocation of the funds to the Charter Oak Reservoir Site – RCS Project (Account No. 6011-5080-55410-W1709) is necessary at this time.

The following table represents a summary of the estimated project cost:

RCS System/Temporary RCS Rental Unit (including additional underground electrical work) – Doane & Hartwig Water Systems Inc.	\$144,000
SCADA Programming/Interface – Control Automation Design)	\$25,000
Contingency Allowance	\$0
Contract Administration/Inspection	\$2,000
<b>Total Fiscal Impact</b>	<b>\$171,000</b>

The following table presents a summary of the sources of funds:

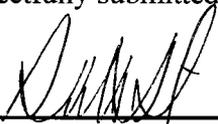
Water Capital Improvement budget (Account No. 6011-5080-55410-W1709)	\$163,000
Supplemental Appropriation from Water Capital Improvement Fund Balance (Resolution No. 16-7567)	\$4,000
Supplemental Appropriation from Water Capital Improvement Fund Balance (Resolution CC 17-02)	\$4,000
<b>Total Sources</b>	<b>\$171,000</b>

The proposed project has no General Fund impact.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This project has been determined to be categorically exempt under CEQA in accordance with Section 15301(b) Existing Facilities (Class 1). The project involves negligible or no expansion of an existing use.

Respectfully submitted,



Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: Resolution CC 17-01

Attachment B: Resolution CC 17-02

Attachment C: Change Order No. 3

Attachment D: Proposed Second Amendment to Professional Services Agreement with Doane & Hartwig Water Systems, Inc.

**RESOLUTION CC 17-01**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION FOR THE RESIDUAL CONTROL SYSTEM AT THE CHARTER OAK RESERVOIR SITE EMERGENCY PROJECT, PURSUANT TO SECTION 22050 OF THE CALIFORNIA PUBLIC CONTRACT CODE**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, the City endeavors to provide safe and reliable public facilities for public use; and

**WHEREAS**, from time-to-time City facilities will experience unexpected failure, stress, or damage in the course of routine operations; and

**WHEREAS**, the resolution of any unexpected failure, stress, or damage may occur at times when the competitive bidding process is not possible in order to bring a swift resolution to the interruption of regular services, requiring that the City contract with vendors who are most readily and reasonably available to address the urgent situation; and

**WHEREAS**, The City of Covina has identified that the Charter Oak Reservoir Site, which includes four (4) reservoirs, is in need of immediate action. Since Covina’s water suppliers began supplying the City with chloramine-only treated water in May 2015, the City has been mindful that the water system may experience nitrification in its water supply since nitrites are a byproduct of chloramines. In mid-July 2016, due in part to a series of field tests performed by Covina Irrigating Company (CIC), the City became aware that the Charter Oak reservoirs are experiencing symptoms of nitrification, which require immediate action as nitrification can degrade a distribution system’s water quality and negatively affect regulatory compliance, leading to potential health and safety concerns. Residual Control System (RCS) technology coupled with operational methods, such as regularly circulating the water in the Charter Oak reservoirs, are best management practices (BMPs) for mitigating the symptoms of nitrification. The combination of technological and operational treatment methods in a timely manner is necessary to safeguard the City’s water supply. As a result, the Department of Public Works recommends the immediate procurement and implementation of an RCS system at the Charter Oak site as an emergency action, including the chemical feed system, water quality station, and smart controller; and

**WHEREAS**, on August 16, 2016, the Covina City Council adopted Resolution No. 16-7508 declaring an emergency condition and declaring that the public interest and necessity requires certain work to be performed without competitive bidding pursuant to California Public Contract Code Sections 20168 and 22050; and

**WHEREAS**, under Section 22050 of the California Public Contract Code “ a public agency pursuant to a four-fifths vote of its governing body may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts;” and

**WHEREAS**, the City Manager immediately retained the services necessary to remediate the Charter Oak Reservoir Site, without competitive bidding, including Doane and Hartwig Water Systems, Inc. to provide an RCS System, which includes the Chemical Feed System, Water Quality Station, and Smart Controller, and Control Automation Design, Inc. to complete the configuration and installation of the SCADA system; and

**WHEREAS**, the schedule for the RCS at the Charter Oak Reservoir Site Emergency Project runs tentatively from mid-August 2016 through project completion estimated to occur by the end of January 2017; and

**WHEREAS**, on September 6, 2016 the Covina City Council adopted Resolution No. 16-7516 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on September 20, 2016 the Covina City Council adopted Resolution No. 16-7522 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on October 4, 2016 the Covina City Council adopted Resolution No. 16-7535 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on October 18, 2016 the Covina City Council adopted Resolution No. 16-7539 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on November 1, 2016 the Covina City Council adopted Resolution No. 16-7549 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on November 15, 2016 the Covina City Council adopted Resolution No. 16-7553 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on December 6, 2016 the Covina City Council adopted Resolution No. 16-7563 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on December 20, 2016 the Covina City Council adopted Resolution No. 16-7572 confirming the continued existence of an emergency condition for the RCS at the Charter Oak Reservoir Site pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, California Public Contract Code Section 22050, subdivision (c) provides that “If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and ...at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, and there is a need to continue the action;” and

**WHEREAS**, Resolution CC 17-01 constitutes action specified in subdivision (a) of California Public Contract Code Section 22050; and

**WHEREAS**, the RCS at the Charter Oak Site Emergency Project is ongoing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby reviews the emergency action approved in City Council Resolution No. 16-7508 for the Charter Oak Reservoir Site – Residual Control System pursuant to California Public Contract Code Section 22050.

**SECTION 2.** The City Council hereby determines that the emergency action for the Charter Oak Reservoir Site – Residual Control System needs to continue through project completion estimated to occur by the end of January 2017 in order to respond to the emergency pursuant to California Contract Code Section 22050.

**SECTION 3.** Such action shall be reviewed by the City Council at subsequent regular meetings to determine whether there is a need to further continue the action.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED and PASSED** this 17<sup>th</sup> day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 17-01 was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**RESOLUTION CC 17-02**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017-2021 CAPITAL IMPROVEMENT PROGRAM AND THE FISCAL YEAR 2017 CAPITAL IMPROVEMENT BUDGET TO REFLECT AN APPROPRIATION OF \$4,000 FROM AVAILABLE WATER CAPITAL IMPROVEMENT FUND BALANCE TO INCREASE FUNDING FOR THE RESIDUAL CONTROL SYSTEM (RCS) AT THE CHARTER OAK RESERVOIR SITE AND INCREASE THE FISCAL YEAR 2017 WATER CAPITAL IMPROVEMENT BUDGET (ACCOUNT NO. 6011-5080-55410-W1709) IN THE AMOUNT OF \$4,000 FOR EXPENDITURE ON THE RESIDUAL CONTROL SYSTEM AT THE CHARTER OAK RESERVOIR SITE**

**WHEREAS**, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California (“City”); and

**WHEREAS**, the Fiscal Year 2017 Operating Budget and 2017 Capital Improvement Program Budget were approved on July 19, 2016; and

**WHEREAS**, the approved Operating Budget and Capital Improvement Program budget are in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

**WHEREAS**, the reallocation of the appropriations between departmental activities may be made by the City Manager and amendments (increases/decreases) to the adopted 2017 Capital Improvement Program budget shall be by approval and Resolution of the City Council; and

**WHEREAS**, on July 19, 2016, the City Council adopted Resolution No. 16-7503 approving the Fiscal Year 2017 Operating Budget and Resolution No. 16-7504 approving the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Budget; and

**WHEREAS**, on August 16, 2016 the City Council adopted Resolution No. 16-7508 declaring an emergency condition and that public interest and necessity requires certain work to be performed without competitive bidding pursuant to Public Contract Code Sections 20168 and 22050 for the RCS at the Charter Oak Reservoir Site. The City retained services without competitive bidding, with Doane and Hartwig Water Systems, Inc. and Control Automation Design, to provide an RCS and configuration and installation of the SCADA system, respectively; and

**WHEREAS**, on August 16, 2016 the City Council adopted Resolution No. 16-7509 amending the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement Budget as follows: Add the RCS at the Charter Oak Reservoir Site as a priority water project for Fiscal Year 2017 and appropriate \$163,000 from available Water Capital Improvement Fund balance to Water Capital Improvement Fund expenditure account for the RCS at the Charter Oak Reservoir Site; and

**WHEREAS**, on September 6, 2016, the City Council adopted Resolution No. 16-7516 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on September 20, 2016, the City Council adopted Resolution No. 16-7522 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on October 4, 2016, the City Council adopted Resolution No. 16-7535 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on October 18, 2016, the City Council adopted Resolution No. 16-7539 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code and approved Change Order No. 1 to furnish a temporary RCS rental unit, including trailer delivery, one month rental fee, and installation of trailer and mixer, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by \$8,500, from \$126,000 to \$134,500; and

**WHEREAS**, on November 1, 2016, the City Council adopted Resolution No. 16-7549 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on November 15, 2016, the City Council adopted Resolution No. 16-7553 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**WHEREAS**, on December 6, 2016, the City Council adopted Resolution No. 16-7563 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code, adopted Resolution No. 16-7567 to amend FY 2017 Capital Improvement Budget to increase funding for RCS at the Charter Oak Reservoir Site, approved Change Order No. 2 to retain temporary RCS rental unit, increasing the contract cost with Doane and Hartwig Water Systems, Inc. by \$5,500, from \$134,500 to \$140,000, and executed the First Amendment to the Professional Services Agreement with Doane and Hartwig Water Systems, Inc.; and

**WHEREAS**, on December 20, 2016, the City Council adopted Resolution No. 16-7572 confirming the continued existence for an emergency condition for the RCS at the Charter Oak Reservoir Site Pursuant to Chapter 2.5 (Emergency Contracting Procedures) of the Public Contracts Code; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Amend the Fiscal Year 2017-2021 Capital Improvement Program and the Fiscal Year 2017 Capital Improvement budget as follows: Increase funding for the RCS at the Charter Oak Reservoir Site by \$4,000 and appropriate \$4,000 from available Water Capital Improvement Fund balance to Water Capital Improvement Fund expenditure account for the RCS at the Charter Oak Reservoir Site (account no. 6011-5080-55410-W1709).

**SECTION 2.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED and PASSED** this 17<sup>th</sup> day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 17-02 was duly adopted by the City Council of the City of Covina at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:

Dated:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



# CITY OF COVINA

125 East College Street • Covina, California 91723-2199  
www.covinaca.gov

PUBLIC WORKS DEPARTMENT  
Engineering

(626) 384-5490 FAX (626) 384-5479

## CHANGE ORDER

Change Order No.3

DATE: January 5, 2017  
PROJECT No. W1709  
CONTRACT: Residual Control System at Charter Oak Reservoir  
CONTRACTOR: Doane and Hartwig Water Systems, Inc.

.....  
.....  
Furnish and install new underground electrical conduit, new electrical circuit and electrical conduit for Tank No. 4 Sample Pump.

- |  |                  |           |
|--|------------------|-----------|
| 1. Install underground conduit                     | Total Increase = | \$2500.00 |
| 2. Install circuit                                 | Total Increase = | \$ 500.00 |
| 3. Install conduit on Tank                         | Total Increase = | \$1000.00 |
| 4. Change in contract cost: Increase of \$4,000.00 |                  |           |

.....

Submitted by *Del A. Lopez* Date 1/5/17  
 Title: City Engineer

Accepted by: *William P. Doane* Date 1/10/17  
 Title: Contractor, Doane and Hartwig Water Systems, Inc.

Approved by: \_\_\_\_\_ Date \_\_\_\_\_  
 Title: City Manager

**SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE CITY OF COVINA AND DOANE AND HARTWIG WATER SYSTEMS, INC.  
RESIDUAL CONTROL SYSTEM (RCS) AT THE CHARTER OAK SITE**

**THIS SECOND AMENDMENT** is made and entered into as of January 17, 2017, by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Doane and Hartwig Water Systems, Inc., a California corporation (hereinafter referred to as "Contractor"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Second Amendment is made with respect to the following facts and purposes:

A. On August 16, 2016, the City and Consultant entered into that certain Professional Services Agreement (the "Agreement") to provide a complete Residual Control System (RCS), including a Chemical Feed System, Water Quality Station, and Smart Controller, in the not-to-exceed amount of One Hundred Twenty-Six Thousand Dollars (\$126,000) (the "maximum compensation").

B. The Agreement provides that the City Manager may authorize, in writing, additional compensation in excess of the maximum compensation amount up to Ten Thousand Dollars (\$10,000) (the "contingency amount"). Concurrent with the City Council's approval of this First Amendment, the City Manager will authorize, in writing, additional compensation in the amount of Ten Thousand Dollars (\$10,000).

C. The Agreement further provides that any additional compensation that exceeds the contingency amount requires approval of the City Council and an amendment to the Agreement. On August December 6, 2016, the City and Consultant entered into the certain First Amendment to the Agreement to add to the scope of work and increase the compensation in the amount of Four Thousand Dollars (\$4,000) for a new total agreement amount not-to-exceed One Hundred Forty Thousand Dollars (\$140,000).

D. The parties desire to add to the scope of work, increase the compensation in the amount of Four Thousand Dollars (\$4,000) for a new total agreement amount not-to-exceed One Hundred Forty Four Thousand Dollars (\$144,000) and to amend the Agreement as set forth in this Second Amendment.

2. Paragraph A of Section 2 of the Agreement entitled "Compensation" is hereby amended to read as follows:

"A. Compensation. As full compensation for Contractor's services provided under this Agreement, City shall pay Contractor the total not-to-exceed amount of One Hundred Forty-Four Thousand Dollars (\$144,000) (the "maximum compensation"), as set forth in the Proposal, attached hereto as **Exhibit A** and as set forth in **Exhibit D**."

3. Paragraph A of Section 3 of the Agreement entitled "Scope of Services" is hereby amended to read as follows:

“A. Scope of Services. Contractor shall perform the services described in the Proposal, attached as **Exhibit A**, and shall furnish to City and install a temporary RCS rental unit, new underground electrical conduit, and electrical circuit for Tank No. 4 sample pump, as described in **Exhibit D**. City may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.”

4. Exhibit “D” of the Agreement is hereby amended to read as Exhibit “D” of this Amendment, which is attached hereto and incorporated herein as though set forth in full.

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this Second Amendment on the date stated in the introductory clause.

City:  
  
City of Covina,  
a California municipal corporation

Contractor:  
  
Doane and Hartwig Water Systems, Inc.,  
a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

*(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)*

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Candice K. Lee  
Title: City Attorney

**EXHIBIT A  
PROPOSAL**



## Trailer Mounted RCS Sales Proposal

**Project:** Covina Water District  
**Tank Details:** Charter Oak Tanks  
**Disinfectant:** Chloramines  
**RCS Components:** Trailer, Chemical Feed System, Water Quality Station, Smart Controller, Sample Recovery, Chemical Storage Tanks  
**Proposal Date:** August 3<sup>rd</sup>, 2016  
**Proposal Valid:** 1 month from offer date (30 days)

Doane and Hartwig Water Systems, Inc. is pleased to offer a Residual Control System (RCS) proposal for the Charter Oak Tanks in Covina, CA. Per your request, I have detailed pricing for a complete RCS mounted in a 7'x12' trailer, including the Chemical Feed System, Water Quality Station and Smart Controller. Below you will find a brief description of RCS, our scope and pricing tables, standard terms and conditions. A submittal package will be generated for complete review of what is to be received by the City of Covina along with O&M's for all equipment provided.

### Reservoir Control System (RCS)

The PAX Residual Control System (RCS) is an intelligent disinfectant boosting system that gives operators the ability to set and maintain residual levels in water storage tanks and key locations in the distribution system. By combining advanced water quality sensors with powerful tank mixing and an automated chemical feed system, the PAX RCS enables operators to eliminate manual boosting and quickly counteract adverse water quality changes.

### Basic SCADA

The RCS comes with basic SCADA capability with functionality for 8 standard outputs (i.e. total chlorine, temperature, pH, etc.). The mixer also comes with standard SCADA functions: input (dry contact required), on/off control, dry contact outputs running, and fault, which is independent of the RCS SCADA function.

### Remote Monitoring System (RMS)

The RMS is an augmented version of the SCADA system, which can be programmed to send alarms directly to an operator's cell phone using text messages. It can also transmit data related to water quality and RCS operation to a secure internet data hosting platform accessible by the web.

603 Seagard Drive #24, Occoquan, Virginia 22054

PHONE 949 481 4560 FAX 949 481 456 WEB [www.dhwater.com](http://www.dhwater.com) EMAIL [brund@dinhwater.com](mailto:brund@dinhwater.com)



**Start-up & Service**

Equipment commissioning and start-up will be provided by PAX or their representatives. Because this is a complex piece of equipment, calibration and maintenance training will be provided by PAX and is outlined in the following scope and pricing tables.

EQUIPMENT SUPPLIED BY MUNICIPALITY / CONTRACTOR	
Item	Description
PAX Water Mixer	Tripod-mounted active mixer that thoroughly blends chemicals being dosed; comes with control panel
Chlorine Supply	12.5% chlorine solution
Ammonia Supply	19% ammonia solution
Power Supply	115VAC to sub panel w/ breaker and safety disconnect switch where RCS control will be located
Conduit	Conduit for Chemical Feed and sample lines to tank penetrations; PAX will help with specifications  Conduit for line power from the distribution panel to sub panels for Chemical Feed and PAX Water Mixer controls; PAX will help with specifications  Conduit from the Smart Controller to the junction box just prior to entering the wet area of the tank; PAX will help with specifications
Tank Penetrations	Municipality/Contractor will provide fittings for tank penetration at time of installation; PAX will provide recommendations

EQUIPMENT SUPPLIED (PER TANK) BY PAX WATER TECHNOLOGIES		
Item	Quantity	Description
Water Quality Station (WQS)	1	Advanced sensors that continuously monitor water quality and sends data to the Smart Controller, including temperature, pH and chlorine level
Smart Controller	1	Automated control system that analyzes data from WQS,

603 Seitzner Drive #24, Oceanside, Calif. 92054  
 PHONE 949-481-4560 FAX 949-481-456 WEB www.dandhwatersystems.com EMAIL dhan@dandhwatersystems.com

# **DH WATER SYSTEMS**

		maintains operator-set residual level and sends data to SCADA and alerts to operator
<b>Chem Feed Skid: Chlorine</b>	1	Chemical feed skid that automatically doses chlorine based on commands from Smart Controller
<b>Chem Feed Skid: Ammonia</b>	1	Chemical feed skid that automatically doses ammonia based on commands from Smart Controller
<b>Sample Return Kit</b>	1	30-gallon tank, level controls and recovery pump

<b>RCS PRICING (ESSENTIAL COMPONENTS)</b>				
<b>Item</b>		<b>Quantity</b>	<b>Price Per Unit</b>	<b>Total Price</b>
RCS	<b>Water Quality Station</b>	1	\$53,000	\$53,000
	<b>Smart Controller</b>			
	<b>Chemical Feed System (Chlorine &amp; Ammonia)</b>			
<b>PAX Training Package<sup>1</sup></b>		1	\$6,800	\$6,800
<b>SCADA Integration-Modbus Wireless communication</b>		1	2000	2000
<b>Sample Return Kit</b>		1	\$1,800	\$1,800
<b>Installation I/O Box</b>		1	\$900	\$900
<b>Subtotal</b>				<b>\$64,500</b>
<b>Shipping &amp; Handling</b>				<b>\$800</b>
<b>Total Equipment Costs (not including installation and tax<sup>2</sup>)</b>				<b>\$65,300</b>
<b>Tank Penetrations (TBD)</b>	TBD	PAX will provide fittings for tank penetration at time of installation (usually a modified cathodic protection plate)		

603 Seagaze Drive #24, Oceanside, California 92054  
 PHONE 949.481.4560 FAX 949.481.4561 WEB www.dandwater.com EMAIL dhan@dandwater.com



<b>RCS PRICING (Additional Components)</b>		
<b>Item</b>	<b>Quantity</b>	<b>Cost</b>
Site Installation-See Attachment A for Description	1	\$20,510.00
Installation of RCS Equipment in Trailer-See Attachment B	1	\$28,252.00
Shipping & Handling		Included

**Note:**

1. **PAX Training Package:**
  - a. PAX Water will provide one technician for 1-2 days of initial startup of equipment, calibration, initial tuning of software and onsite training.
  - b. The PAX RMS is an augmented version of the SCADA system, which can be programmed to send alarms directly to an operator's cell phone via text messages, take commands via secure web portal through operator's smart phone for complete control and receive PAX Service Support. RMS functionality is included for the first three months with the installation beginning at startup.
  - c. PAX Remote Monitoring is included for three months to fine tune RCS components and provide technical support to your municipality as you learn RCS functionality.
  - d. PAX will provide two additional days of operator training at typically at 4-8 weeks after start-up, with topic of instruction based on RCS operation and personnel needs. Beyond the standard training package, PAX offers advanced operator training on a fee-per-day basis.



Lot Price is FOB shipping point with full freight allowed and does not include sales tax.

**Conditions of Sale:**

- If municipality is tax exempt, please provide proper documentation.
- Payment terms: Net 30 Days without retention.
- This quote is firm for 60 days.
- Submittals and O&M's to be provided after receipt of submittal
- Delivery will be made in approximately 6-8 weeks after submittal approval.
- Quotation does not include any taxes.
- This quotation is limited to the products and services as listed  
And excludes any item or service not listed.

Resulting Purchase Order should be made out to:

Doane and Hartwig Water Systems Inc  
603 Seagaze Dr. #241  
Oceanside, CA 92054

Please feel free to give me a call if there are any questions.

Thanks,

Brian Doane  
Principal  
D&H Water Systems,  
Ph-949-481-4560  
Cel-949-637-0705

**Attachment A**

**Site Installation of RCS Equipment**

**Project Scope:**

Electrical contractor will install conduit for chemical feed of chlorine and ammonia at 4 different potable reservoirs up the side of the tank for introduction of chemicals inside of existing hatch.

Sample lines to and from RCS (Reservoir Control System) analyzer will also be installed.

- A. Install ½" and 3/8" poly tubing within conduit and poly tubing within conduit for chemicals (chlorine and ammonia)
- B. Steel Reservoir 1" Pipe for Poly Tube (QTY 2 Reservoirs); Conduit for chemical feed lines.
- C. Concrete Reservoir 4 – 1 ½" Pipe for Poly Tube (QTY 2 Reservoirs); Conduit for chemical feed lines.
- D. Install Dura Block with Strut for pipe supports.
- E. QTY 12 Ball Valves
- F. Provide QTY 1 Zoom Boom for pipe support Install on side of Reservoirs.
- F. Provide means of 120V power for chem feed Trailer utilize existing power at tanks.
- G. Diver to install sample lines in 2 reservoirs to provide sample to analyzers. Other 2 reservoirs don't need this because there are existing sample ports located at the bottom of the reservoirs.

**Attachment B**

**Trailer and Installation of Equipment Within**

- A. Project Scope**
- 1. The trailer installation is for the equipment that will be housed inside of the trailer that will house the Reservoir Control System and Chemical Storage Tanks within.**
  - A. Provide one 7x12' Interstate Loadrunner Trailer**
  - B. Provide LineX Liner on walls and floor of trailer.**
  - C. Mount Water Quality Station, Smart Controller, Chemical Feed Skids, and Sample Return inside of trailer.**
  - D. Lot Condukt, Fittings, Plumbing, Ventilation, Wire**
  - E. 2x Chlorine Chemical Storage Tanks, 120 gallons each, dual wall**
  - F. 1x Ammonia Chemical Storage Tank, 70 gallons, dual wall**

**EXHIBIT D**  
**ADDITIONAL SCOPE OF SERVICES AND COMPENSATION**

Contractor shall furnish to City and install a temporary RCS rental unit and perform underground electric work for the Charter Oak Tanks in Covina, California (the “project site”), in accordance with the following rates:

<b>Item</b>	<b>Quantity</b>	<b>Price Per Unit</b>	<b>Total Price</b>
Rental Trailer Delivery	1	\$2,000	\$2,000
Monthly Trailer Rental Fee	2	\$5,500	\$11,000
Installation of Rental Trailer and Mixer	1	\$1,000	\$1,000
Install Underground Conduit	N/A	\$2,500	\$2,500
Install Circuit	N/A	\$500	\$500
Install Conduit on Tank No. 4	N/A	\$1,000	\$1,000
<b>Total Cost</b>			<b>\$18,000</b>

Contractor shall deliver the temporary RCS rental unit to the project site. The temporary PAX RCS rental unit shall be an intelligent disinfectant boosting system that gives the City the ability to set and maintain residual levels in water storage tanks and key locations in the City’s distribution system. The temporary PAX RCS rental unit shall combine advanced water quality sensors with powerful tank mixing and an automated chemical feed system to enable the City to eliminate manual boosting and quickly counteract adverse water quality changes.

The Contractor’s electrical subcontractor shall install a new underground conduit, new electrical circuit, and conduit for Tank No. 4.



## CITY OF COVINA

# AGENDA REPORT

ITEM NO. CC 5

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**MEETING DATE:** January 17, 2017

**TITLE:** Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707 – Final Acceptance and Filing Notice of Completion

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Accept the work performed by Doane & Hartwig Water Systems, Inc. in the amount of \$46,553.00; and
  - 2) Authorize the City Clerk to file a Notice of Completion for the Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707.
- 

**BACKGROUND:**

On July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the FY 2017-2021 Capital Improvement Program (CIP) and the FY 2017 CIP Budget. The FY 2017 CIP Budget includes \$35,000 in Water Capital Improvement funding for the Rancho La Merced Reservoir PAX Water Technologies Mixer project, which provides for the installation of a PAX Mixer at the one million gallon Rancho La Merced Reservoir.

At the time of CIP approval, the 1.0 million gallon (MG) capacity Rancho La Merced Reservoir was one of four City reservoirs not equipped with a PAX Water Technologies Mixer. Other reservoirs without the technology include Cypress (1.45 MG), Forestdale (0.025 MG), and Roycove (0.5 MG). The four reservoirs at the Charter Oak site (3.0 MG capacity per reservoir and total storage capacity of 12.0 MG at the site) and the 5.0 MG Rancho Simi Reservoir have PAX Mixers.

It is imperative that the City install mixers at the remaining sites, as expeditiously as possible beginning with the Rancho La Merced Reservoir, as recommended by the State Water Resources Control Board, Division of Drinking Water (SWRCB), to enhance water quality. The use of mixers is an industry best practice, which creates a powerful vortex flow pattern inside water storage tanks to circulate the entire volume, top to bottom, and eliminate thermal stratification. Powerful mixing helps prevent conditions favorable to residual loss, disinfection byproducts, and nitrification.

Mixers also facilitate the use of Residual Control System (RCS) technology. As explained in detail in the August 16, 2016 Agenda Report, Item CC 11, pertaining to the purchase of a mobile RCS unit, RCS is an intelligent disinfectant boosting system that gives operators the ability to set and maintain residual levels in water storage tanks and key locations in the distribution system. By combining advanced water quality sensors with powerful tank mixing and an

automated chemical feed system, the RCS enables operators to eliminate manual boosting and quickly counteract adverse water quality changes. RCS technology is a proven methodology that has been used by several local municipalities to address the challenges inherent with chloramination and mitigate symptoms of nitrification in their water systems.

On October 4, 2016, the City Council adopted Resolution No. 16-7538 to amend the FY 2017 CIP budget to reflect a supplemental appropriation of \$17,604 from available Water Capital Improvement Fund balance for the Rancho La Merced Reservoir PAX Water Technologies Mixer Project. The City Council also authorized the Interim City Manager to execute a Professional Services Agreement with Doane and Hartwig Water Systems, Inc., in accordance with Covina Municipal Code (CMC) Section 2.20.080 (Bidding – Required – Exceptions), Subsection B, to supply and install the PAX Water Technologies Mixer in an amount not-to-exceed \$46,553. CMC Section 2.20.080 (Bidding – Required – Exceptions), Subsection B, allows procurement by noncompetitive proposals when the supply, service, or equipment is available from only one source. In this case, the PAX Water Technologies Mixer is the City’s standard mixer and can only be supplied by Doane and Hartwig Water Systems, Inc. as they are the sole distributor of PAX Mixers in Southern California.

**DISCUSSION:**

On October 27, 2016, the City Engineer issued the Notice to Proceed for the Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707, notifying the contractor to commence work on the referenced contract on or after October 27, 2016, with a completion date of January 31, 2017. The contractor substantially completed the project on December 21, 2016.

The project was completed approximately \$6,051 under budget, as the City did not expend the contingency allowance nor utilize Covina Irrigating Company (CIC) for contract administration and/or inspection services. These services were provided in-house by City personnel.

**FISCAL IMPACT:**

The estimated cost of the Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707, as approved by the City Council on October 4, 2016, was \$52,604. Sufficient Water Capital Improvement Fund monies were available in the FY 2017 Water budget (Account No. 6011-5080-55410-W1707), following the adoption of Resolution No. 16-7538 by the City Council on October 4, 2016, which appropriated \$17,604 in funding from available Water Capital Improvement Fund balance to the project.

The following table represents the initial project summary:

Base Bid (Doane and Hartwig Water Systems, Inc.)	\$46,553
Contingency Allowance (10%)	\$4,655
Contract Administration/Inspection Services	\$1,396
<b>Total Fiscal Impact</b>	<b>\$52,604</b>

The following table presents a summary of available sources of funds for the project:

Water Capital Improvement Fund – 2017 Water CIP Project (Account No. 6011-5080-55410-W1707)	\$35,000
Water Capital Improvement Fund – Resolution No. 16-7538 , supplemental appropriation (Account No. 6011-5080-55410-W1707)	\$17,604
<b>Total Sources</b>	<b>\$52,604</b>

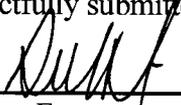
The total project cost is \$46,553 as outlined below in the final project summary:

Base Bid (Doane and Hartwig Water Systems, Inc.)	\$46,553
Contingency Allowance (10%)	\$0
Contract Administration/Inspection Services	\$0
Total Fiscal Impact	\$46,553

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This project has been determined to be categorically exempt under CEQA in accordance with Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The Rancho La Merced Reservoir PAX Water Technologies Mixer Project will not result in any significant effect on the environment.

Respectfully submitted,



Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: Notice of Completion

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

**NAME** City of Covina  
**STREET ADDRESS** 125 E. College Street  
**CITY** Covina  
**STATE** CA  
**ZIP CODE** 91723-2199

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NOTICE OF COMPLETION**

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for complete requirements.)  
Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is The City of Covina
3. The full address of the owner is 125 East College Street, Covina, CA 91723-2199
4. The nature of the interest or estate of the owner is: In fee.

(If other than Fee, strike "in fee" and insert, for example, "purchaser under contract of purchase", or "Lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES	ADDRESSES
-------	-----------

6. The full names and full addresses of all the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES	ADDRESSES
-------	-----------

7. A work of improvement on the property hereinafter described was completed on: January 17, 2017 . The work done was: Rancho La Merced Reservoir PAX Water Technologies Mixer, Project No. W1707

8. The names of the contractor, if any, for such work improvement was: Doane & Hartwig Water Systems, Inc. October 4, 2016  
(If no contractor for work of improvement as a whole, insert "None") (Date of Contract)

9. The property on which said work of improvement was completed in the City of: Covina  
County of Los Angeles , State of CA , and is described as follows: Rancho La Merced Reservoir

10. The street address of said property is None  
(If no street address has been officially signed, insert "None".)

Dated January 17, 2017

(Signature of Owner or corporate officer of Owner named in paragraph 2, or his agent)

**VERIFICATION**

I, the undersigned, say: I am the City Engineer The declarant of the foregoing Notice of Completion;  
(President of, Manager of, Partner of, Owner of)  
I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 17 , 2017 at Covina , California

  
(Personal signature of the individual of the individual who is swearing that the contents of the Notice of Completion are true.)

**DO NOT RECORD**

**REQUIREMENTS AS TO NOTICE OF COMPLETION**

Notice of completion must be filed for record WITHIN 10 DAYS after the completion of the work of improvements (to be computed exclusive of the day of completion) as provided in Civil Code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If ownership is in two or more person as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3, 5 and 6, the full address called for should include street number, city, county, and state.

As to paragraphs 7 and 8, this form should only be used where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvements is made pursuant to two or more original contracts, then this form must be modified as follows: (1) strike the words "A work of improvement" from paragraph 7 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundation for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 8.

In paragraph 8 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g. on so-called "owner-builder jobs."

In paragraph 9, insert the full legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 10, show the street address, if any, assigned to the property by any competent public or governmental authority.

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 6

**MEETING DATE:** January 17, 2017

**TITLE:** Approval of Salary Rate Adjustments for Classifications Subject to the State Mandated Minimum Wage Increase for 2017

**PRESENTED BY:** Danielle Tellez, Director of Human Resources

**RECOMMENDATION:** Approve Salary Rate Adjustments for Classifications Subject to the State Mandated Minimum Wage Increase for 2017

**BACKGROUND:**

On April 4, 2016 SB3 was signed by Governor Edmund G. Brown, Jr., making California the first state in the nation to sign landmark legislation committed to raise the minimum wage to \$15 per hour statewide. The minimum wage was raised on January 1, 2017 to \$10.50 per hour for businesses with 26 or more employees, and then will rise each year until reaching \$15 per hour in 2022.

**DISCUSSION:**

The City has seven (7) classifications subject to the increase, wherein Step One of the range is raised from \$10.00 per hour to \$10.50 per hour. The proposed new salary step range for these classifications is as follows:

Classification	Salary Steps				
	1	2	3	4	5
ADMINISTRATIVE INTERN	\$10.50	\$11.03	\$11.58	\$12.16	\$12.76
COMMUNITY RESOURCES AIDE					
LIBRARY PAGE SHELVER					
LIFEGUARD					
POLICE CADET					
POOL MAINTENANCE ASSISTANT					
STUDENT AIDE					

Additionally, the City has two classifications (Community Resources Assistant I and II) that would be impacted by the increase to the Community Resources Aide classification, causing a salary compaction issue. In order to provide consistent salary spreads between these classifications, staff recommends that the salary ranges be adjusted as follows:

Classification	Salary Steps				
	1	2	3	4	5
Community Resources Assistant I	\$11.03	\$11.58	\$12.16	\$12.76	\$13.40
Community Resources Assistant II	\$11.58	\$12.16	\$12.76	\$13.40	\$14.07

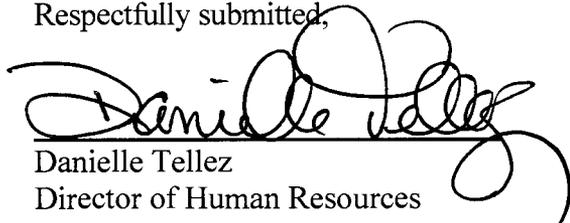
**FISCAL IMPACT:**

The minimum wage increase to \$10.50 per hour affected four (4) part time employees on January 1, 2017. These four employees were paid at the mandated minimum wage rate. The fiscal impact is ultimately dependent upon the number of employees who fall into one of the above classifications and the number of hours worked and the increases will primarily affect the Parks and Recreation Department budget. Staff estimates that the increase to personnel costs including all salary step increases proposed will be approximately \$5,000 per year. Additionally, staff recommends that the City implement the rate increases effective the first day of the pay period following Council's approval of this item, which is January 21, 2017.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,



Danielle Tellez  
Director of Human Resources

**ATTACHMENTS:**

Attachment A: Part Time Salary Schedule Effective January 21, 2017

CITY OF COVINA  
 UNAFFILIATED SALARY SCHEDULE PART-TIME  
 EFFECTIVE JANUARY 21, 2017

DESCRIPTION	STEP	HOURLY
9040 ADMINISTRATIVE INTERN	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76
9050 ASSISTANT POOL MANAGER	1	11.98
	2	12.58
	3	13.21
	4	13.87
	5	14.56
9054 BACKGROUND INVESTIGATOR	1	27.47
	2	28.84
	3	30.29
	4	31.80
	5	33.39
9090 COMMUNITY RESOURCES AIDE	1	10.50
	2	11.03
	3	11.58
	4	12.16
9100 COMMUNITY RESOURCES ASSISTANT I	1	11.03
	2	11.58
	3	12.16
	4	12.76
	5	13.40
9110 COMMUNITY RESOURCES ASSISTANT II	1	11.58
	2	12.16
	3	12.76
	4	13.40
	5	14.07
9120 COMMUNITY RESOURCES SPECIALIST	1	13.41
	2	14.07
	3	14.78
	4	15.52
	5	16.30

CITY OF COVINA  
 UNAFFILIATED SALARY SCHEDULE PART-TIME  
 EFFECTIVE JANUARY 21, 2017

9355 CUSTODIAN	1	12.59
	2	13.22
	3	13.88
	4	14.57
	5	15.30
9150 ENGINEERING INTERN	1	11.06
	2	11.61
	3	12.19
	4	12.80
	5	13.44
9180 LIBRARY CLERK	1	12.13
	2	12.73
	3	13.36
	4	14.03
	5	14.74
9091 LIBRARY PAGE SHELVING	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76
9200 LIFEGUARD	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76
9210 LIFEGUARD / INSTRUCTOR	1	11.13
	2	11.68
	3	12.26
	4	12.88
	5	13.52
9220 OVERNIGHT ENFORCEMENT OFFICER	1	15.20
	2	15.96
	3	16.76
	4	17.60
	5	18.48

CITY OF COVINA  
 UNAFFILIATED SALARY SCHEDULE PART-TIME  
 EFFECTIVE JANUARY 21, 2017

DESCRIPTION	STEP	HOURLY
9230 PARK MAINTENANCE ASSISTANT	1	13.09
	2	13.75
	3	14.44
	4	15.15
	5	15.91
9265 POLICE CADET	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76
9300 POOL MAINTENANCE ASSISTANT	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76
9310 POOL MANAGER	1	14.58
	2	15.30
	3	16.07
	4	16.87
	5	17.71
	6	18.16
	7	18.61
	8	19.08
9260 RESERVE POLICE OFFICER	1	20.00
9340 STUDENT AIDE	1	10.50
	2	11.03
	3	11.58
	4	12.16
	5	12.76

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 7

- 
- MEETING DATE:** January 17, 2017
- TITLE:** Reflective Street Name Sign Replacement Program – Authorize Replacement of City’s Existing Internally Illuminated Street Name Signs Located at City-maintained Traffic Signals with Reflectorized Street Name Signs through General Services Agreement with Los Angeles County
- PRESENTED BY:** Siobhan Foster, Director of Public Works
- RECOMMENDATION:** Authorize the Director of Public Works to submit a General Services Request to Los Angeles County in an amount not-to-exceed \$150,000 for replacement of existing internally illuminated street name signs located at City-maintained traffic signals with reflectorized street name signs.

---

### **BACKGROUND:**

On March 20, 2012, the City Council adopted Resolution No. 12-7058 requesting Los Angeles County to renew the General Services Agreement (GSA) between the City of Covina and Los Angeles County for the five-year period commencing July 1, 2012 through June 30, 2017. Covina has participated in the County’s General Services Program since 1977. Services provided under the GSA consist of miscellaneous services, which the City requests from the County on an “as-needed” basis, including a variety of Public Works services. This agreement does not cover ongoing and specific services provided by County departments through Specific Service Agreements.

On July 19, 2016, the City Council adopted Resolution No. 16-7504 approving the FY 2017-2021 Capital Improvement Program (CIP) and the FY 2017 CIP Budget. The FY 2017 CIP Budget includes \$150,000 in Gas Tax funding for the Reflective Street Name Sign (RSNS) Replacement Program, which provides for the replacement of existing internally illuminated street name signs located at City-maintained traffic signals with reflectorized street name signs.

Street name signs on arterial and collector roadways are deteriorated and in need of replacement. This project will make it easier for motorists, pedestrians, and bicyclists to navigate within Covina. The replacement of the existing internally illuminated signs to reflectorized signs will reduce the annual costs to the City associated with electrical usage and traffic signal maintenance contract expenses.

The City maintains traffic signals at 50 locations, as depicted in Attachment B. The proposed project would replace 136 six-foot long street name signs and 11 eight-foot signs.

The County of Los Angeles maintains 15 traffic signals within Covina, as illustrated in Attachment C. During calendar year 2016, the County upgraded these locations with retro-reflective street name signs.

**DISCUSSION:**

Following the adoption of the FY 2017-2021 CIP and the FY 2017 CIP Budget, the Department of Public Works explored alternatives for completing the RSNS Replacement Program, including the use of the City’s traffic signal maintenance contractor, Computer Services Company, and Los Angeles County under the current GSA. Both entities have familiarity with City infrastructure and have satisfactorily completed similar work for the City. Cost estimates for the proposed project are comparable.

The Department of Public Works recommends the use of Los Angeles County for the proposed project at a cost not-to-exceed \$150,000. Los Angeles County satisfactorily completed the RSNS upgrade of the 15 traffic signals it maintains within Covina and has the resources available to complete the proposed City project. The cost estimate is comprised of \$71,044 for sign materials, \$70,900 for County installation services, vehicles, and equipment, plus contingency allowance. Work will be completed in FY 2017.

In December 2016, the Interim City Manager solicited input on the design of the new reflectorized street name signs and selected the design contained in Attachment D as the one to be used in the proposed project.

The City Engineer has reviewed the proposed pricing of the County project and determined the costs are competitive and consistent with current market rates.

**FISCAL IMPACT:**

The estimated fiscal impact associated with utilizing Los Angeles County to complete the RSNS Replacement Program under the GSA between the City and County is an amount not-to-exceed \$150,000. Sufficient Gas Tax funding is available in the FY 2017 Department of Public Works budget (account no. 2300-2200-55310-P1707).

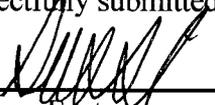
The following represents the project summary and the amount of the proposed General Services Request that will be submitted to Los Angeles County:

Sign Materials	\$71,045
County installation services, vehicles, and equipment	\$70,900
Contingency Allowance (5.7% of estimated project cost)	\$8,055
Total Fiscal Impact	\$150,000

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This project has been determined to be categorically exempt under CEQA in accordance with Title 14, Chapter 3, Class 1, Sections 15301 and 15302. This exemption includes the minor alteration of existing public facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The project involves negligible or no expansion of an existing use.

Respectfully submitted,

  
\_\_\_\_\_  
Siobhan Foster  
Director of Public Works

**ATTACHMENTS:**

Attachment A: General Services Agreement, June 1, 2012

Attachment B: City of Covina Maintained Traffic Signal Locations

Attachment C: County of Los Angeles Maintained Traffic Signal Locations

Attachment D: Proposed Design for Reflectorized Street Name Signs

**GENERAL SERVICES AGREEMENT**

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, June 1, 2012, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Covina, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq.*, of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

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3. No County officer or department shall perform for said City any function not coming within the scope of the duties of such officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County officer or department, such quarters may be used by the County officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

7. All persons employed in the performance of such services and functions for the City shall be County employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County officer and employee engaged in performing any such service or function shall be deemed to be an officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

10. Each County officer or department performing any service for the City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor; supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to insure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within

thirty (30) days after the date of the invoice, the County may satisfy such indebtedness, including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This Agreement shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2017, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year period, the City Council shall not later than the last day of May 2017, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2017, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise such Agreement shall finally terminate at the end of the aforescribed period.

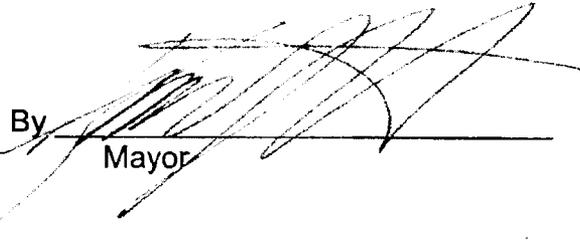
Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this Agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this Agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In the event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract adopts the provisions hereof by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

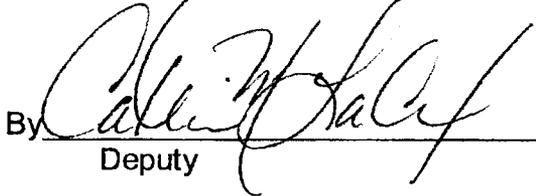
Executed this 20<sup>th</sup> day of March 2012.

The City of Covina

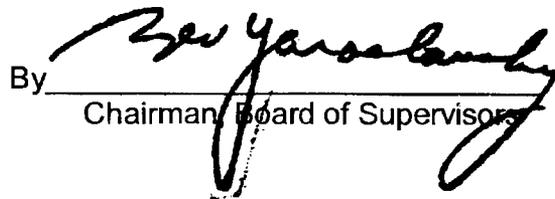
By   
Mayor

ATTEST:

City Clerk

By   
Deputy

THE COUNTY OF LOS ANGELES

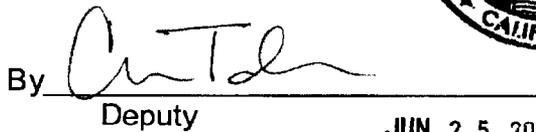
By   
Chairman, Board of Supervisors

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ATTEST:

SACHI A. HAMAI  
Executive Officer/Clerk  
of the Board of Supervisors

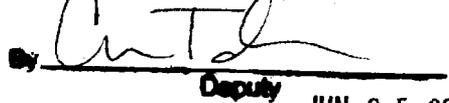


By   
Deputy

JUN 25 2012

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

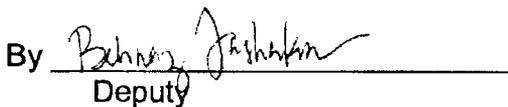
SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By   
Deputy

JUN 25 2012

APPROVED AS TO FORM:

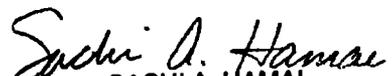
JOHN F. KRATTLI  
County Counsel

By   
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

17

JUN 06 2012

  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Attachment B:  
 City of Covina Maintained Traffic Signal Locations

	Location
1	Lark Ellen Avenue & Bridger Street
2	Lark Ellen Avenue & S. Bernardino Rd.
3	Lark Ellen Avenue & Badillo Street
4	Rimsdale Avenue & S. Bernardino Rd.
5	Hollenbeck Avenue & Grondahl Street
6	Hollenbeck Ave. & San Bernardino Rd.
7	Hollenbeck Avenue & Badillo Street
8	Hollenbeck Avenue & Puente Street
9	Hollenbeck Avenue & Rowland Street
10	Hollenbeck Avenue & Workman Street
11	Citrus Avenue s/o Arrow Hwy.
12	Citrus Avenue & Covina Boulevard
13	Citrus Avenue & Cypress Street
14	Citrus Avenue & Metrorail Entrance
15	Citrus Avenue & Front Street
16	Citrus Avenue & San Bernardino Rd.
17	Citrus Avenue & College Street
18	Citrus Avenue & Badillo Street
19	Citrus Avenue & Puente Street
20	Citrus Avenue & Rowland Street
21	Second Avenue & San Bernardino Rd.
22	Second Avenue & College Street
23	Second Avenue & Badillo Street
24	Second Avenue & Puente Street
25	Second Avenue & Rowland Street
26	Third Avenue & San Bernardino Rd
27	Barranca Avenue & Cienega Street
28	Barranca Avenue & Covina Blvd.
29	Barranca Avenue & Cypress Street
30	Barranca Avenue & San Bernardino Rd.
31	Barranca Avenue & Badillo Street
32	Barranca Avenue & Puente Street
33	Barranca Avenue & Rowland Street
34	Barranca Avenue & Workman Street
35	Grand Avenue & Edna Place
36	Grand Avenue & San Bernardino Rd.
37	Grand Avenue & Badillo Street
38	Glendora Avenue & Badillo Street

	Location
39	Glendora Avenue & Covina Blvd.
40	Glendora Avenue & Cypress Street
41	Banna Avenue & Badillo Street
42	Reeder Avenue & Badillo Street
43	Cypress Street & Homerest Avenue
44	Azusa Avenue (@ Shopping Driveway)
45	Azusa Avenue & Grondahl Street
46	Azusa Avenue & Covina Blvd.
47	Azusa Avenue & Cypress Street
48	Azusa Avenue & San Bernardino Rd.
49	Azusa Avenue & Badillo Street
50	Rimsdale Avenue & Badillo Street

Attachment C:  
 Los Angeles County Maintained Traffic Signal Locations

	STREET 1	STREET 2
1	ARROW HY	CITRUS AV
2	SAN BERNARDINO RD	VINCENT AV
3	GRAND AV	PUENTE ST
4	ARROW HY	GRAND AV
5	GRAND AV	COVINA HILLS/ROWLAND ST
6	COVINA BL	GRAND AV
7	CYPRESS ST	GRAND AV
8	CIENEGA AV	GRAND AV
9	BADILLO ST	SUNFLOWER AV
10	CIENEGA AV	SUNFLOWER AV
11	BONNIE COVE AV	COVINA BL
12	CIENEGA AV	GLENDORA AV
13	COVINA BL	LANGHAM AV (E/O GLENDORA)
14	DE LAY AV (W/O)	PUENTE ST
15	DE LAY AV (E/O)	PUENTE ST



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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 8

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**MEETING DATE:** January 17, 2017

**TITLE:** **First Amendment to the Robert Half International Inc. Professional Services Agreement for Temporary Accounting Staffing Services**

**PRESENTED BY:** Anita Agramonte, Finance Director

**RECOMMENDATION:** Authorize the City Manager to execute the First Amendment to the Robert Half International Inc. Professional Services Agreement for Temporary Accounting Staffing Services

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### **BACKGROUND:**

With the recent change in management and departure of long-term personnel in the Finance Department, it was necessary to obtain assistance with the 2016 fiscal year-end closing procedures. In July 2016, the City enlisted the services of Robert Half International Inc., a firm which specializes in providing accounting, finance and business systems professionals throughout Southern California. Additionally, on November 15, 2016 the City Council authorized a professional services agreement with Robert Half International Inc. in an amount not to exceed \$38,000, to allow the Finance Department to continue utilizing the temporary staffing services.

### **DISCUSSION:**

Robert Half International Inc. has assisted the Finance Department with Fiscal Year 2016 accounting entries and analysis. Some of the duties performed by Robert Half International Inc. include:

- Reconciling of bank accounts
- Analyzing various general ledger accounts and preparing related audit schedules
- Preparing general journal entries in a governmental fund environment
- Responding to inquiries from auditors as related to work performed
- Coordinating with staff as necessary in analyzing general ledger activity

Robert Half International Inc.'s understanding of the City's financial processes, as well as their demonstrated capabilities to contribute to the completion of assigned tasks, makes it prudent to continue their services. Service costs to date are nearing \$38,000, the maximum amount authorized under the Council approved agreement. Due to vacancies in the Finance Department, and to continue the department's momentum in completing important tasks, in particular on mid-year analysis and upcoming budget processes, staff recommends that the City Council authorize the City Manager to execute the First Amendment to the Professional Services Agreement for Temporary Accounting Staffing Services with Robert Half International Inc., extending the term of the agreement to June 30, 2017, and increasing the compensation by \$22,000 for a total compensation amount not to exceed \$60,000, as the department strives to fill vacant positions.

**FISCAL IMPACT:**

The proposed professional services agreement stipulates a maximum expenditure of \$60,000. Salary savings resulting from vacant positions in the Finance Department will be utilized to fund the additional \$22,000 required for the first amendment to the agreement.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None

Respectfully submitted,



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Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: First Amendment to the Professional Service Agreement with Robert Half International Inc. for Temporary Accounting Staffing Services

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF COVINA AND  
ROBERT HALF INTERNATIONAL INC. FOR TEMPORARY ACCOUNTING  
STAFFING SERVICES**

**THIS FIRST AMENDMENT** is made and entered into as of January 17, 2017 by and between the City of Covina, a California municipal corporation (hereinafter referred to as "City"), and Robert Half International Inc. a Delaware corporation, doing business through its division Accountemps (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This **FIRST** Amendment is made with the respect to the following facts and purposes:

a. On **July 23, 2016**, the City and Consultant entered into that certain Professional Services Agreement for temporary accounting staffing services in the amount of \$38,000.

b. The parties now desire to extend the term of the agreement to June 30, 2017, increase the compensation in the amount of \$22,000 for a new total agreement amount not to exceed \$60,000 and to amend the Agreement as set forth in this Amendment.

2. Section 1 of the Agreement entitled "**TERM**" is hereby amended to read as follows:

"The term of this Agreement shall be from the Effective Date through June 30, 2017, unless sooner terminated as provided in Section 13 of this Agreement."

3. Paragraph A of Section 2 of the Agreement entitled "**COMPENSATION**" is hereby amended to read as follows:

A. Compensation. As full compensation for Consultant's hourly temporary staffing services provided under this Agreement, City shall pay Consultant a sum not to exceed sixty thousand dollars (\$60,000) (the "maximum compensation"), based on the hourly rates set forth in the Approved Fee Schedule, attached hereto as Exhibit A. Any terms in Exhibit A, other than the payment rates and schedule of payment, are null and void.

4. Exhibit A to the Agreement is hereby replaced by the items set forth on Attachment "A" to this Amendment, which is attached hereto and incorporated herein as though set forth in full.

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this **FIRST** Amendment on the date stated in the introductory clause.

City:

City of Covina,  
a California municipal corporation

By: \_\_\_\_\_  
Name: Brian Saeki  
Title: City Manager

ATTEST:

By: \_\_\_\_\_  
Name: Sharon F. Clark  
Title: Chief Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Candice K. Lee  
Title: City Attorney

Consultant:

Robert Half International Inc. <sup>EOE</sup>  
a Delaware Corporation, doing business through its  
division Accountemps

By: \_\_\_\_\_  
Name: Chris Garza  
Title: Regional Vice President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*(Two signatures of corporate officers required  
for corporations under Corporations Code  
Section 313, unless corporate documents  
authorize only one person to sign this  
Agreement on behalf of the corporation.)*

**ATTACHMENT A**

Attached hereto and incorporated herein is the additional scope of work and associated cost as provided by the Consultant.

**EXHIBIT A  
APPROVED FEE SCHEDULE**

<u>Job Title</u>	<u>Maximum Hours*</u>	<u>Bill Rate**</u>	<u>Maximum Compensation</u>
Staff Accountant	1600	\$37.50/hour - \$50.00/hour	\$60,000.00

\*City may hire, without incurring additional fees, assigned staff once that staff member has completed 1000 hours of service on assignment to the City

\*\*If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 9

**MEETING DATE:** January 17, 2017

**TITLE:** Adoption of Resolutions relating to the annexation of territory to Community Facilities District No. 2007-1, declaring intention to authorize annexation, adopting boundary map, and setting the public hearing date for February 21, 2017 (735 Orange Circle, Covina).

**PRESENTED BY:** Brian K. Lee, Director of Community Development

**RECOMMENDATION:**

- a). Adopt City **Resolution No. CC 17-05**, declaring intention to authorize the annexation of territory to Community Facilities District No. 2007-1 (Public Services); and
- b). Adopt City **Resolution No. CC 17-06**, adopting boundary map showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1 (Public Services).

---

### **BACKGROUND:**

On June 5, 2007, the City Council held a public hearing and formed Community Facilities District (CFD) 2007-1 (Public Services). Pursuant to the Conditions of Approval for a second unit to be constructed at 735 Orange Circle, Covina, the builder agreed to annex to the CFD, or to pay an in-lieu fee based on the financial impact on Police, Fire, Emergency and Parks services. The builder has opted to annex into the CFD.

Under the CFD, in Fiscal Year 2016-2017, any new single-family residential units are charged \$644.50 per year for the following services: police, fire protection and suppression, paramedic services, and park maintenance. This Special Tax appears on the annual Property Tax bill for each parcel. The Special Tax authorized by the CFD shall be levied on all parcels for which building permits were issued on or before May 1 of the preceding fiscal year.

This program has been conceived with the intention that all future residential development, which results in a net increase of residential units, will annex to the CFD or pay an equivalent mitigation fee. Residential units constructed prior to formation of the CFD are not subject to the Special Tax.

### **DISCUSSION:**

Resolutions that notice the intent of the City to annex property to the CFD, identify the boundaries of the proposed annexation, identify the types of services to be funded by the CFD, and notice that a public hearing will be held on February 21, 2017, where the City Council will consider the proposed annexation, are pursuant to the Conditions of Approval for a single family unit residential development at 735 Orange Circle, Covina, California. The Assessor's Parcel Number is 8451-003-043. One existing single-family home at this address will not be subject to the CFD tax.

The purpose of the CFD is to finance the aforementioned public safety and park services that are in addition to those currently provided for the territory within the District. In Fiscal Year 2016-2017, the estimated amount for these services, for each additional single family residential unit, is \$644.50. There is a net increase of one residential unit subject to the special tax.

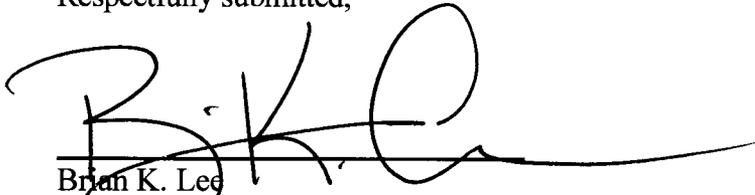
**FISCAL IMPACT:**

There are two residential units in the proposed annexation area, of which one is subject to the special tax. The “Special Tax” authorized by the proposed annexation to Community Facilities District 2007-1 (the “CFD”) will generate an estimate of \$644.50 annually based on Fiscal Year 2016-2017 special tax rates and will be deposited to Account No. 2740-4800-45800. The Special Tax shall be used to pay for the following services: police, fire protection and suppression, paramedic services, and park maintenance. The Special Tax will increase annually by the greater of two percent (2.00%), or the percentage change in the Consumer Price Index.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

- A. Resolution No. CC 17-05
- B. Resolution No. CC 17-06

**ATTACHMENT A**

**RESOLUTION NO. CC 17-05**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,  
CALIFORNIA, DECLARING ITS INTENTION TO AUTHORIZE THE  
ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES  
DISTRICT NO. 2007-1 (PUBLIC SERVICES)**

**WHEREAS**, the City Council of the City of Covina, California, (hereafter referred to as the “City Council”), at this time desires to authorize the annexation of territory to City of Covina Community Facilities District No. 2007-1 (Public Services) (“CFD No. 2007-1”) pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the “Act”); and

**WHEREAS**, CFD No. 2007-1 was formed to finance new police services, fire protection and suppression services, paramedic services, and park maintenance and other public services in addition to those provided in or required for the territory within CFD No. 2007-1 and will not be replacing services already available; and

**WHEREAS**, certain territory is proposed to be annexed to CFD No. 2007-1 and such territory shall be known and designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 11 (“Annexation No. 11”).

**WHEREAS**, this legislative body now desires to proceed to adopt its Resolution of Intention to annex Annexation No. 11 into CFD No. 2007-1, to describe the territory proposed to be annexed, Annexation No. 11, to specify the services to be financed from the proceeds of the levy of special taxes within Annexation No. 11, to set and specify the special taxes that would be levied within the territory to finance such services, and to set a time and place for a public hearing relating to the annexation of Annexation No. 11 into CFD No. 2007-1; and

**WHEREAS**, a map showing the boundaries of Annexation No. 11 proposed to be annexed has been submitted, and a copy of the map shall be kept on file with the transcript of these proceedings.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA,  
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.**     Recitals. The above recitals are all true and correct.

**SECTION 2.**     Authorization. The proceedings for annexing Annexation No. 11 into CFD No. 2007-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act.

**SECTION 3.**     Intention to Annex. This legislative body hereby determines that the public convenience and necessity requires that Annexation No. 11 be added to CFD No. 2007-1 in

order to pay the costs and expenses for the required and authorized new services generated from new development within the City and this City Council declares its intention to annex Annexation No. 11 to CFD No. 2007-1.

**SECTION 4. Boundaries.** A general description of the boundaries of Annexation No. 11 proposed to be annexed is as follows:

All that territory proposed to be annexed to CFD No. 2007-1, as such property is shown on a map designated as “Annexation Map No. 11 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California,” attached hereto as Exhibit “A” and hereby incorporated by reference.

Existing territory includes the following:

<b>CFD</b>	<b>General description of existing territory</b>
Original area	1009 N. Citrus
Annexation #1	228 W. Center Street
Annexation #2	Vintage Walk 2
Annexation #3	451 E. Badillo
Annexation #4	1256 W. McGill Street
Annexation #5	Citrus Walk
Annexation #6	276 W. Dexter Street
Annexation #7	166 E. Center Street
Annexation #8	269-275 W. Center Street
Annexation #9	425 Center Street
Annexation #10	800 N. Banna Avenue (annexation in process)
Annexation #11	735 Orange Circle (annexation in process)
Annexation #12	308 S. Barranca Avenue (annexation in process)

**SECTION 5. Name of District.** The name of the district is “City of Covina Community Facilities District No. 2007-1 (Public Services)” and the designation for the territory to be annexed shall be “City of Covina Community Facilities District No. 2007-1 (Public Services), Annexation No. 11.”

**SECTION 6. Services Authorized to be Financed by CFD No. 2007-1, Annexation No. 11.** The services that are authorized to be financed by CFD No. 2007-1 are certain services which are in addition to those provided in or required for the territory within CFD No. 2007-1 and Annexation No. 11 and will not be replacing services already available. A general description of the services to be financed by CFD No. 2007-1 and Annexation No. 11 is as follows:

**PUBLIC SERVICES**

New police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City staff that directly provide police services, fire protection and

suppression services, paramedic services, and park maintenance respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2007-1 and Annexation No. 11. The Special Tax provides only partial funding for Public Services.

The same types of services which are authorized to be financed by CFD No. 2007-1 are the types of services to be provided in Annexation No. 11. If, and to the extent possible, such services shall be provided in common within CFD No. 2007-1 and Annexation No. 11.

**SECTION 7.** Special Taxes. It is the further intention of this City Council body that, except where funds are otherwise available, a special tax sufficient to pay for such services to be provided in CFD No. 2007-1 and Annexation No. 11, and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 11, will be levied annually within the boundaries of such Annexation No. 11. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit "B" (the "First Amended Rate and Method of Apportionment"), which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within proposed Annexation No. 11 to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within Annexation No. 11 for services to be supplied within Annexation No. 11 shall be equal to the special tax levied to pay for the same services in CFD No. 2007-1, to the extent that the actual cost of providing the services in Annexation No. 11 is equivalent to the cost of providing those services in CFD No. 2007-1. Notwithstanding the foregoing, the special tax may not be levied at a rate that is higher than the maximum special tax authorized to be levied pursuant to the First Amended Rate and Method of Apportionment.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City Treasurer.

The maximum special tax rate in CFD No. 2007-1 shall not be increased as a result of the annexation of Annexation No. 11 to CFD No. 2007-1.

**SECTION 8.** Public Hearing. Notice is given that on the 21st day of February, 2017, at the hour of 7:30 p.m., in the regular meeting place of the City Council being the Covina City Hall located at 125 E. College Street Covina, CA 91723, a public hearing will be held where this City Council will consider the authorization for the annexation of Annexation No. 11 to CFD No. 2007-1, the proposed method and apportionment of the special tax to be levied with Annexation No. 11 and all other matters as set forth in this Resolution of Intention.

At such public hearing, the testimony of all interested persons for or against the annexation of Annexation No. 11 or the levying of special taxes within Annexation No. 11 will be heard.

At such public hearing, protests against the proposed annexation of Annexation No. 11, the

levy of special taxes within Annexation No. 11 or any other proposals contained in this resolution may be made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the public hearing. Written protests may be withdrawn at any time before the conclusion of the public hearing.

**SECTION 9. Majority Protest.** If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2007-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 11, (c) owners of one-half or more of the area of land in the territory included in CFD 2007-1, or (d) owners of one-half or more of the area of land in the territory included in Annexation No. 11, file written protests against the proposed annexation of Annexation No. 11 to CFD No. 2007-1 and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the annexation of Annexation No. 11 to CFD 2007-1.

**SECTION 10. Notice.** Notice of the time and place of the public hearing shall be given by the City Clerk by publication in a legally designated newspaper of general circulation, in the territory of Annexation No. 11 and CFD 2007-1 pursuant to Section 6061 of the Government Code. Said publication shall be completed at least seven (7) days prior to the date set for the public hearing and shall contain the information prescribed in Section 53322 of the Act.

**SECTION 11.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED AND PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM;

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. CC 17-05 was duly adopted by the City Council of the City of Covina at a regular meeting of the City Council held on the 17<sup>th</sup> day of January, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**EXHIBIT A TO RESOLUTION  
ANNEXATION MAP**

ANNEXATION MAP NO. 11  
COMMUNITY FACILITIES DISTRICT NO. 2007-1  
(PUBLIC SERVICES)

CITY OF COVINA  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	851-009-043

**LEGEND**

Annexation Boundary

Map Reference Number



FILED IN THE OFFICE OF THE CITY CLERK THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 11 TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF COVINA AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF COVINA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN THE BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, (PAGE(S) \_\_\_\_\_) IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

BY DEPUTY  
COUNTY RECORDER  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF COVINA RECORDED WITH THE LOS ANGELES COUNTY RECORDER'S OFFICE ON MAY 16, 2007, AS DOCUMENT NO. 2007218037 IN THE BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE LOS ANGELES COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE LOS ANGELES COUNTY ASSESSOR'S MAPS SHALL CONTROL OVER ALL OTHERS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

**EXHIBIT B TO RESOLUTION**  
**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT**

# FIRST AMENDED RATE AND METHOD OF APPORTIONMENT

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## CITY OF COVINA

### COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

A special tax as hereinafter defined shall be levied on and collected for Community Facilities District No. 2007-1 (Public Services) of the City of Covina (“CFD No. 2007-1”) each Fiscal Year, commencing in Fiscal Year 2007-2008, in an amount determined by the City Council of the City of Covina through the application of the appropriate Special Tax for “Developed Property,” as described below. All of the real property in CFD No. 2007-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### **A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Act”** means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any actual ordinary and necessary expense of the City of Covina, or designee thereof or both, to carry out the administration of CFD No. 2007-1 related to the determination of the amount of the levy of the Special Tax, the collection of the Special Tax including the expenses of collecting delinquencies, the payment of a proportional share of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2007-1, fees and expenses for counsel, Special Tax consultant and other consultants hired by the City in relation to CFD No. 2007-1, costs associated with responding to public inquiries regarding CFD No. 2007-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2007-1.

**“Affordable Housing”** means any Unit within CFD No. 2007-1 that is subject to a written and recordable covenant, deed restriction, resale restriction, regulatory agreement or similar agreement with either the City of Covina or the Redevelopment Agency of the City of Covina, which restricts the amount of rent for that Unit to “affordable rent” (as that term is defined in California Health and Safety Code Section 50053) for a period of not less than fifty-five (55) years, or which restricts the purchase price for that Unit to “affordable housing cost” (as that term is defined in California Health and Safety Code Section 50052.5) for a period of not less than forty-five (45) years. A Unit shall no longer be considered Affordable Housing following the expiration or termination of the applicable covenant, restriction or agreement.

**“Annual Escalation Factor”** means for the Special Tax, the greater of (i) two percent (2.00%), or (ii) the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

**“Assessor’s Parcel”** means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number within the boundaries of CFD No. 2007-1.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel number.

**“Base Year”** means Fiscal Year ending June 30, 2008.

**“Boundary Map”** means the map of the boundaries for CFD No. 2007-1, as approved by the City Council, and recorded with the County in maps of assessments and community facilities districts.

**“Building Permit”** means a permit for new construction for a residential dwelling Unit. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirements and providing for the levy and collection of the Special Tax.

**“CFD No. 2007-1”** means Community Facilities District No. 2007-1 (Public Services) established by the City under the Act.

**“City”** means the City of Covina.

**“City Council”** means the City Council of the City, acting as the Legislative Body of CFD No. 2007-1, or its designee.

**“Consumer Price Index”** means the index published by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

**“County”** means the County of Los Angeles.

**“Developed Property”** means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits were issued on or before May 1 preceding the Fiscal Year for which the Special Tax is being levied, provided that a Final Map was created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the City and/or CFD administrator.

**“Exempt Property”** means all Assessor’s Parcels within CFD No. 2007-1 designated as being exempt from the Special Tax as determined in Section F.

**“Final Map”** means a subdivision of property evidenced by the recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

**“Fiscal Year”** means the period commencing on July 1 of any year and ending the following June 30.

**“Lot”** means an individual legal lot created by a Final Map for which a Building Permit could or has been issued.

**“Maximum Special Tax”** means the Maximum Special Tax determined in accordance with Section C, which can be levied by CFD No. 2007-1 in any Fiscal Year on Taxable Property within CFD No. 2007-1.

**“Mixed-Use Property”** means all Assessor’s Parcels of Developed Property for which Building Permit(s) have been issued for purposes of constructing Non-Residential Property and Residential Property. Residential Units on Mixed-Use Property shall be classified as Multi-Family Residential.

**“Multi-Family Residential”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of two or more residential Units that share common walls, including, but not limited to, duplexes, triplexes, town homes, condominiums, apartment Units, and residential Units on Assessor’s Parcels that are considered Mixed-Use Property.

**“Non-Residential Property”** means all Assessor’s Parcels for which a Building Permit was issued for any type of non-residential use.

**“Public Property”** means any property within the boundaries of CFD No. 2007-1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, CFD No. 2007-1, or other public agency. For purposes of this definition, property owned by the Redevelopment Agency of the City of Covina is **not** considered Public Property and any property owned by the Redevelopment Agency will be subject to the levy of a Special Tax in accordance with Sections C and D herein.

**“Public Services”** means new police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and Fire District staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance, and (iv) City and Fire District overhead costs associated with providing such services within CFD No. 2007-1. The Special Tax provides only partial funding for police, fire protection services, paramedic services, and park maintenance.

**“Special Tax”** means any special tax authorized to be levied by CFD No. 2007-1 pursuant to the Act to fund the Special Tax Requirement.

**“Single-Family Residential”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one single-family residential dwelling Unit.

**“Taxable Property”** means all Assessor’s Parcels within CFD No. 2007-1 that are not exempt from the levy of the Special Tax.

**“Tax Class”** means any of the classes listed in Table 1 below.

**“Undeveloped Property”** means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits have not been issued and that is not classified as Approved Property or Public Property.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

**B. CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel within CFD No. 2007-1 shall be classified as Developed Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel of Developed Property shall be further classified as Single-Family Residential, Multi-Family Residential, or Mixed-Use Property.

**C. MAXIMUM ANNUAL SPECIAL TAX**

The Maximum Special Tax for each Assessor’s Parcel classified as Single-Family Residential, Multi-Family Residential, and Mixed-Use Property in Fiscal Year 2007-2008 shall be equal to the Maximum Special Tax set forth in Table 1.

**TABLE 1  
MAXIMUM ANNUAL SPECIAL TAX RATES  
Fiscal Year 2007-2008**

Tax Class	Description	Maximum Special Tax
1	Single-Family Residential	\$527 per Unit
2	Multi-Family Residential	\$395 per Unit
3	Mixed-Use Property	\$395 per Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be adjusted by the Annual Escalation Factor.

**Multiple Tax Classes**

In some instances an Assessor’s Parcel may contain more than one Tax Class. The Maximum Special Tax levied on such Assessor’s Parcel shall be the sum of the Maximum Special Tax that can be imposed on all Tax Classes located on that Assessor’s Parcel.

**D. METHOD OF APPORTIONMENT OF SPECIAL TAX**

Commencing with Fiscal Year 2007-2008, and for each subsequent Fiscal Year, the Special Tax shall be levied on each Assessor’s Parcel of Developed Property at the applicable Maximum Special Tax as set forth in Section C.

**E. TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity to fund Public Services provided to CFD No. 2007-1.

## **F. EXEMPTIONS**

The City shall classify as Exempt Property: (i) Public Property, (ii) Non-Residential Property, (iii) Undeveloped Property, (iv) Affordable Housing, or (v) Assessor's Parcels with public or utility easements making impractical their utilization for other purposes than those set forth in the easement.

## **G. APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2007-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

## **H. MANNER OF COLLECTION**

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 2007-1 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**ATTACHMENT B**

**RESOLUTION NO. CC 17-06**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING BOUNDARY MAP SHOWING TERRITORY PROPOSED TO BE ANNEXED IN THE FUTURE TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)**

**WHEREAS**, the City Council of the City of Covina, California, (hereafter referred to as the “City Council”), formed a Community Facilities District, designated as Community Facilities District No. 2007-1 (Public Services) (“CFD No. 2007-1”), pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the “Act”); and

**WHEREAS**, the City Council desires to initiate proceedings to annex certain territory to CFD No. 2007-1; and

**WHEREAS**, there has been submitted a map showing the territory proposed to be annexed to CFD No. 2007-1, said area to be designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 11 (hereafter referred to as “Annexation No. 11”).

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.**     Recitals. The above recitals are all true and correct.

**SECTION 2.**     Annexation Map. The map showing Annexation No. 11 to be subject to the levy of a special tax upon the annexation of such territory to CFD No. 2007-1 is hereby approved and adopted. Such map is designated by the name of “Annexation Map No. 11 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California.”

**SECTION 3.**     Certificate. A certificate shall be endorsed on the original and on at least one (1) copy of the map of Annexation No. 11, evidencing the date and adoption of this Resolution, and within fifteen days after the adoption of the Resolution of Intention fixing the time and place of the Public Hearing to annex Annexation No. 11 to CFD No. 2007-1, a copy of said map shall be filed with the correct and proper endorsements thereon with the Los Angeles County Recorder, all in the manner and form provided for in Section 3111 of the Streets and Highways Code of the State California.

**SECTION 4.**     The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED AND PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
Kevin Stapleton, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM;

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. CC 17-06 was duly adopted by the City Council of the City of Covina at a regular meeting of the City Council held on the 17<sup>th</sup> day of January, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. CC 10

**MEETING DATE:** January 17, 2017

**TITLE:** Adoption of Resolutions relating to the annexation of territory to Community Facilities District No. 2007-1, declaring intention to authorize annexation, adopting boundary map, and setting the public hearing date for February 21, 2017 (308 S. Barranca Avenue, Covina).

**PRESENTED BY:** Brian K. Lee, Director of Community Development

**RECOMMENDATION:**

- a). Adopt City **Resolution No. CC 17-03**, declaring intention to authorize the annexation of territory to Community Facilities District No. 2007-1 (Public Services); and
- b). Adopt City **Resolution No. CC 17-04**, adopting boundary map showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1 (Public Services).

---

### **BACKGROUND:**

On June 5, 2007, the City Council held a public hearing and formed Community Facilities District (CFD) 2007-1 (Public Services). Pursuant to the Conditions of Approval for development of two new apartment buildings with a total of five (5) apartment units at 308 South Barranca Avenue, the builder agreed to annex to the CFD, or to pay an in-lieu fee based on the financial impact on Police, Fire, Emergency and Parks services. The builder has opted to annex into the CFD.

Under the CFD, in Fiscal Year 2016-2017, any new multi-family residential units are charged \$483.07 per unit per year for the following services: police, fire protection and suppression, paramedic services, and park maintenance. This Special Tax appears on the annual Property Tax bill for each parcel. The Special Tax authorized by the CFD shall be levied on all parcels for which building permits were issued on or before May 1 of the preceding fiscal year.

This program has been conceived with the intention that all future residential development, which results in a net increase of residential units, will annex to the CFD or pay an equivalent mitigation fee. Residential units constructed prior to formation of the CFD are not subject to the Special Tax.

### **DISCUSSION:**

Resolutions that notice the intent of the City to annex property to the CFD, identify the boundaries of the proposed annexation, identify the types of services to be funded by the CFD, and notice that a public hearing will be held on February 21, 2017, where the City Council will consider the proposed annexation, are pursuant to the Conditions of Approval for development of two new apartment buildings with a total of five (5) apartment units at 308 South Barranca Avenue, Covina, California. The Assessor's Parcel Number is 8446-012-003.

The purpose of the CFD is to finance the aforementioned public safety and park services that are in addition to those currently provided for the territory within the District. In Fiscal Year 2016-2017, the estimated amount for these services, for four (4) additional multi-family residential units, is \$1,932.28. One (1) existing home on the lot will be demolished, resulting in a net increase of four (4) residential units subject to the special tax.

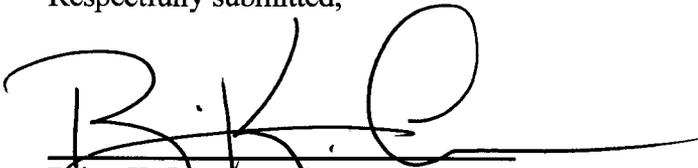
**FISCAL IMPACT:**

There are five (5) multi-family residential units in the proposed annexation area, of which four (4) are subject to the special tax. The “Special Tax” authorized by the proposed annexation to Community Facilities District 2007-1 (the “CFD”) will generate an estimate of \$1,932.28 annually based on Fiscal Year 2016-2017 special tax rates and will be deposited to Account No. 2740-4800-45800. The Special Tax shall be used to pay for the following services: police, fire protection and suppression, paramedic services, and park maintenance. The Special Tax will increase annually by the greater of two percent (2.00%), or the percentage change in the Consumer Price Index.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

- A. Resolution No. CC 17-03
- B. Resolution No. CC 17-04

**ATTACHMENT A**

**RESOLUTION NO. CC 17-03**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,  
CALIFORNIA, DECLARING ITS INTENTION TO AUTHORIZE THE  
ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES  
DISTRICT NO. 2007-1 (PUBLIC SERVICES)**

**WHEREAS**, the City Council of the City of Covina, California, (hereafter referred to as the “City Council”), at this time desires to authorize the annexation of territory to City of Covina Community Facilities District No. 2007-1 (Public Services) (“CFD No. 2007-1”) pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the “Act”); and

**WHEREAS**, CFD No. 2007-1 was formed to finance new police services, fire protection and suppression services, paramedic services, and park maintenance and other public services in addition to those provided in or required for the territory within CFD No. 2007-1 and will not be replacing services already available; and

**WHEREAS**, certain territory is proposed to be annexed to CFD No. 2007-1 and such territory shall be known and designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 12 (“Annexation No. 12”).

**WHEREAS**, this legislative body now desires to proceed to adopt its Resolution of Intention to annex Annexation No. 12 into CFD No. 2007-1, to describe the territory proposed to be annexed, Annexation No. 12, to specify the services to be financed from the proceeds of the levy of special taxes within Annexation No. 12, to set and specify the special taxes that would be levied within the territory to finance such services, and to set a time and place for a public hearing relating to the annexation of Annexation No. 12 into CFD No. 2007-1; and

**WHEREAS**, a map showing the boundaries of Annexation No. 12 proposed to be annexed has been submitted, and a copy of the map shall be kept on file with the transcript of these proceedings.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA,  
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.**     Recitals. The above recitals are all true and correct.

**SECTION 2.**     Authorization. The proceedings for annexing Annexation No. 12 into CFD No. 2007-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act.

**SECTION 3.**     Intention to Annex. This legislative body hereby determines that the public convenience and necessity requires that Annexation No. 12 be added to CFD No. 2007-1 in

order to pay the costs and expenses for the required and authorized new services generated from new development within the City and this City Council declares its intention to annex Annexation No. 12 to CFD No. 2007-1.

**SECTION 4. Boundaries.** A general description of the boundaries of Annexation No. 12 proposed to be annexed is as follows:

All that territory proposed to be annexed to CFD No. 2007-1, as such property is shown on a map designated as “Annexation Map No. 12 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California,” attached hereto as Exhibit “A” and hereby incorporated by reference.

Existing territory includes the following:

<b>CFD</b>	<b>General description of existing territory</b>
Original area	1009 N. Citrus
Annexation #1	228 W. Center Street
Annexation #2	Vintage Walk 2
Annexation #3	451 E. Badillo
Annexation #4	1256 W. McGill Street
Annexation #5	Citrus Walk
Annexation #6	276 W. Dexter Street
Annexation #7	166 E. Center Street
Annexation #8	269-275 W. Center Street
Annexation #9	425 Center Street
Annexation #10	800 N. Banna Avenue (annexation in process)
Annexation #11	735 Orange Circle (annexation in process)
Annexation #12	308 S. Barranca Avenue (annexation in process)

**SECTION 5. Name of District.** The name of the district is “City of Covina Community Facilities District No. 2007-1 (Public Services)” and the designation for the territory to be annexed shall be “City of Covina Community Facilities District No. 2007-1 (Public Services), Annexation No. 12.”

**SECTION 6. Services Authorized to be Financed by CFD No. 2007-1, Annexation No. 12.** The services that are authorized to be financed by CFD No. 2007-1 are certain services which are in addition to those provided in or required for the territory within CFD No. 2007-1 and Annexation No. 12 and will not be replacing services already available. A general description of the services to be financed by CFD No. 2007-1 and Annexation No. 12 is as follows:

**PUBLIC SERVICES**

New police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City staff that directly provide police services, fire protection and

suppression services, paramedic services, and park maintenance respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2007-1 and Annexation No. 12. The Special Tax provides only partial funding for Public Services.

The same types of services which are authorized to be financed by CFD No. 2007-1 are the types of services to be provided in Annexation No. 12. If, and to the extent possible, such services shall be provided in common within CFD No. 2007-1 and Annexation No. 12.

**SECTION 7.** Special Taxes. It is the further intention of this City Council body that, except where funds are otherwise available, a special tax sufficient to pay for such services to be provided in CFD No. 2007-1 and Annexation No. 12, and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 12, will be levied annually within the boundaries of such Annexation No. 12. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit "B" (the "First Amended Rate and Method of Apportionment"), which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within proposed Annexation No. 12 to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within Annexation No. 12 for services to be supplied within Annexation No. 12 shall be equal to the special tax levied to pay for the same services in CFD No. 2007-1, to the extent that the actual cost of providing the services in Annexation No. 12 is equivalent to the cost of providing those services in CFD No. 2007-1. Notwithstanding the foregoing, the special tax may not be levied at a rate that is higher than the maximum special tax authorized to be levied pursuant to the First Amended Rate and Method of Apportionment.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City Treasurer.

The maximum special tax rate in CFD No. 2007-1 shall not be increased as a result of the annexation of Annexation No. 12 to CFD No. 2007-1.

**SECTION 8.** Public Hearing. Notice is given that on the 21st day of February, 2017, at the hour of 7:30 p.m., in the regular meeting place of the City Council being the Covina City Hall located at 125 E. College Street Covina, CA 91723, a public hearing will be held where this City Council will consider the authorization for the annexation of Annexation No. 12 to CFD No. 2007-1, the proposed method and apportionment of the special tax to be levied with Annexation No. 12 and all other matters as set forth in this Resolution of Intention.

At such public hearing, the testimony of all interested persons for or against the annexation of Annexation No. 12 or the levying of special taxes within Annexation No. 12 will be heard.

At such public hearing, protests against the proposed annexation of Annexation No. 12, the

levy of special taxes within Annexation No. 12 or any other proposals contained in this resolution may be made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the public hearing. Written protests may be withdrawn at any time before the conclusion of the public hearing.

**SECTION 9.** Majority Protest. If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2007-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 12, (c) owners of one-half or more of the area of land in the territory included in CFD 2007-1, or (d) owners of one-half or more of the area of land in the territory included in Annexation No. 12, file written protests against the proposed annexation of Annexation No. 12 to CFD No. 2007-1 and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the annexation of Annexation No. 12 to CFD 2007-1.

**SECTION 10.** Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by publication in a legally designated newspaper of general circulation, in the territory of Annexation No. 12 and CFD 2007-1 pursuant to Section 6061 of the Government Code. Said publication shall be completed at least seven (7) days prior to the date set for the public hearing and shall contain the information prescribed in Section 53322 of the Act.

**SECTION 11.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED AND PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM;

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. CC 17-03 was duly adopted by the City Council of the City of Covina at a regular meeting of the City Council held on the 17<sup>h</sup> day of January, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

**EXHIBIT A TO RESOLUTION**

**ANNEXATION MAP**

FILED IN THE OFFICE OF THE CITY CLERK THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 12 TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES), CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF COVINA AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF COVINA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN THE BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE(S) \_\_\_\_\_ AND AS INSTRUMENT NO. \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

BY DEPUTY  
COUNTY RECORDER  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF COVINA RECORDED WITH THE LOS ANGELES COUNTY RECORDER'S OFFICE ON MAY 19, 2007, AS DOCUMENT NO. 20071218337 IN THE BOOK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS.

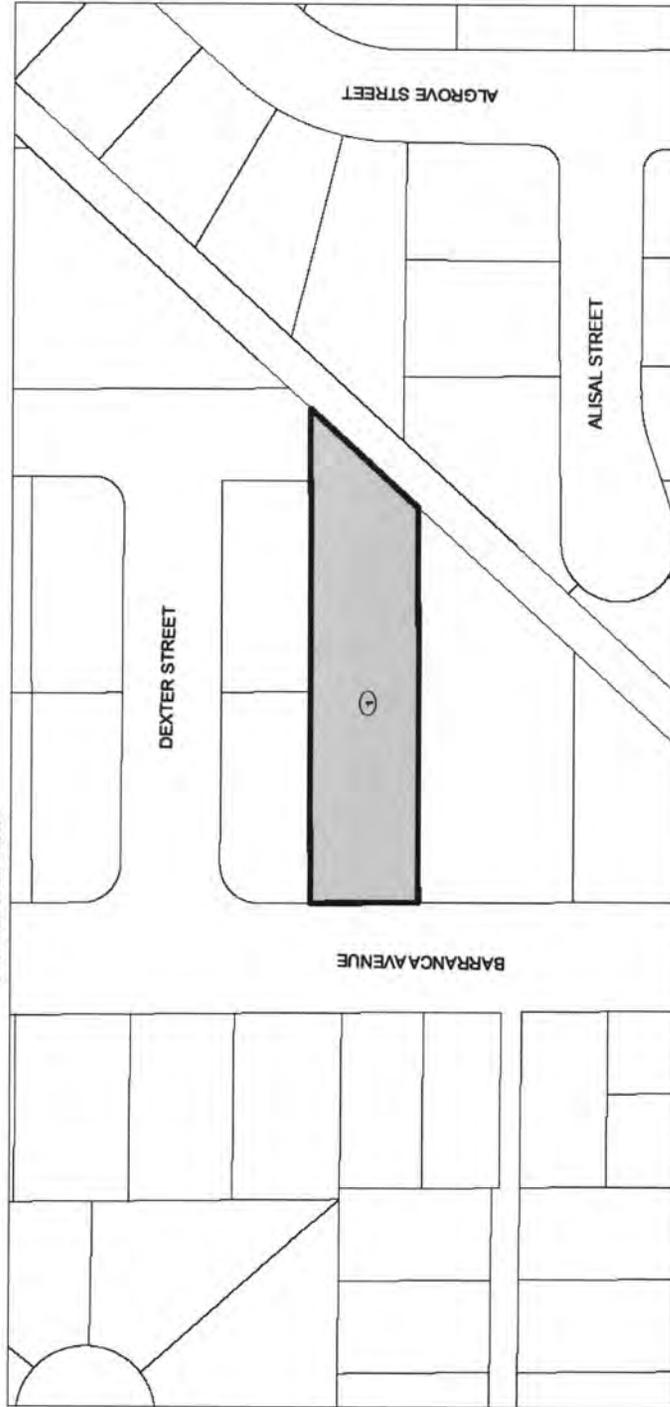
THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THE LINES AND DIMENSIONS AS SHOWN ON THE LOS ANGELES COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE LOS ANGELES COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

ANNEXATION MAP NO. 12  
COMMUNITY FACILITIES DISTRICT NO. 2007-1  
(PUBLIC SERVICES)

CITY OF COVINA  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

SHEET 1 OF 1



LEGEND

- Annexation Boundary
- Map Reference Number

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	8466-012-003



**EXHIBIT B TO RESOLUTION**  
**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT**

# FIRST AMENDED RATE AND METHOD OF APPORTIONMENT

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## CITY OF COVINA

### COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

A special tax as hereinafter defined shall be levied on and collected for Community Facilities District No. 2007-1 (Public Services) of the City of Covina ("CFD No. 2007-1") each Fiscal Year, commencing in Fiscal Year 2007-2008, in an amount determined by the City Council of the City of Covina through the application of the appropriate Special Tax for "Developed Property," as described below. All of the real property in CFD No. 2007-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Act"** means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any actual ordinary and necessary expense of the City of Covina, or designee thereof or both, to carry out the administration of CFD No. 2007-1 related to the determination of the amount of the levy of the Special Tax, the collection of the Special Tax including the expenses of collecting delinquencies, the payment of a proportional share of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2007-1, fees and expenses for counsel, Special Tax consultant and other consultants hired by the City in relation to CFD No. 2007-1, costs associated with responding to public inquiries regarding CFD No. 2007-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2007-1.

**"Affordable Housing"** means any Unit within CFD No. 2007-1 that is subject to a written and recordable covenant, deed restriction, resale restriction, regulatory agreement or similar agreement with either the City of Covina or the Redevelopment Agency of the City of Covina, which restricts the amount of rent for that Unit to "affordable rent" (as that term is defined in California Health and Safety Code Section 50053) for a period of not less than fifty-five (55) years, or which restricts the purchase price for that Unit to "affordable housing cost" (as that term is defined in California Health and Safety Code Section 50052.5) for a period of not less than forty-five (45) years. A Unit shall no longer be considered Affordable Housing following the expiration or termination of the applicable covenant, restriction or agreement.

**"Annual Escalation Factor"** means for the Special Tax, the greater of (i) two percent (2.00%), or (ii) the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of CFD No. 2007-1.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel number.

**“Base Year”** means Fiscal Year ending June 30, 2008.

**“Boundary Map”** means the map of the boundaries for CFD No. 2007-1, as approved by the City Council, and recorded with the County in maps of assessments and community facilities districts.

**“Building Permit”** means a permit for new construction for a residential dwelling Unit. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirements and providing for the levy and collection of the Special Tax.

**“CFD No. 2007-1”** means Community Facilities District No. 2007-1 (Public Services) established by the City under the Act.

**“City”** means the City of Covina.

**“City Council”** means the City Council of the City, acting as the Legislative Body of CFD No. 2007-1, or its designee.

**“Consumer Price Index”** means the index published by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

**“County”** means the County of Los Angeles.

**“Developed Property”** means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits were issued on or before May 1 preceding the Fiscal Year for which the Special Tax is being levied, provided that a Final Map was created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the City and/or CFD administrator.

**“Exempt Property”** means all Assessor’s Parcels within CFD No. 2007-1 designated as being exempt from the Special Tax as determined in Section F.

**“Final Map”** means a subdivision of property evidenced by the recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

**“Fiscal Year”** means the period commencing on July 1 of any year and ending the following June 30.

**“Lot”** means an individual legal lot created by a Final Map for which a Building Permit could or has been issued.

**“Maximum Special Tax”** means the Maximum Special Tax determined in accordance with Section C, which can be levied by CFD No. 2007-1 in any Fiscal Year on Taxable Property within CFD No. 2007-1.

**“Mixed-Use Property”** means all Assessor’s Parcels of Developed Property for which Building Permit(s) have been issued for purposes of constructing Non-Residential Property and Residential Property. Residential Units on Mixed-Use Property shall be classified as Multi-Family Residential.

**“Multi-Family Residential”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of two or more residential Units that share common walls, including, but not limited to, duplexes, triplexes, town homes, condominiums, apartment Units, and residential Units on Assessor’s Parcels that are considered Mixed-Use Property.

**“Non-Residential Property”** means all Assessor’s Parcels for which a Building Permit was issued for any type of non-residential use.

**“Public Property”** means any property within the boundaries of CFD No. 2007-1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, CFD No. 2007-1, or other public agency. For purposes of this definition, property owned by the Redevelopment Agency of the City of Covina is **not** considered Public Property and any property owned by the Redevelopment Agency will be subject to the levy of a Special Tax in accordance with Sections C and D herein.

**“Public Services”** means new police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and Fire District staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance, and (iv) City and Fire District overhead costs associated with providing such services within CFD No. 2007-1. The Special Tax provides only partial funding for police, fire protection services, paramedic services, and park maintenance.

**“Special Tax”** means any special tax authorized to be levied by CFD No. 2007-1 pursuant to the Act to fund the Special Tax Requirement.

**“Single-Family Residential”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one single-family residential dwelling Unit.

**“Taxable Property”** means all Assessor’s Parcels within CFD No. 2007-1 that are not exempt from the levy of the Special Tax.

**“Tax Class”** means any of the classes listed in Table 1 below.

**“Undeveloped Property”** means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits have not been issued and that is not classified as Approved Property or Public Property.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

**B. CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel within CFD No. 2007-1 shall be classified as Developed Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel of Developed Property shall be further classified as Single-Family Residential, Multi-Family Residential, or Mixed-Use Property.

**C. MAXIMUM ANNUAL SPECIAL TAX**

The Maximum Special Tax for each Assessor’s Parcel classified as Single-Family Residential, Multi-Family Residential, and Mixed-Use Property in Fiscal Year 2007-2008 shall be equal to the Maximum Special Tax set forth in Table 1.

**TABLE 1  
MAXIMUM ANNUAL SPECIAL TAX RATES  
Fiscal Year 2007-2008**

<b>Tax Class</b>	<b>Description</b>	<b>Maximum Special Tax</b>
1	Single-Family Residential	\$527 per Unit
2	Multi-Family Residential	\$395 per Unit
3	Mixed-Use Property	\$395 per Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be adjusted by the Annual Escalation Factor.

**Multiple Tax Classes**

In some instances an Assessor’s Parcel may contain more than one Tax Class. The Maximum Special Tax levied on such Assessor’s Parcel shall be the sum of the Maximum Special Tax that can be imposed on all Tax Classes located on that Assessor’s Parcel.

**D. METHOD OF APPORTIONMENT OF SPECIAL TAX**

Commencing with Fiscal Year 2007-2008, and for each subsequent Fiscal Year, the Special Tax shall be levied on each Assessor’s Parcel of Developed Property at the applicable Maximum Special Tax as set forth in Section C.

**E. TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied in perpetuity to fund Public Services provided to CFD No. 2007-1.

## **F. EXEMPTIONS**

The City shall classify as Exempt Property: (i) Public Property, (ii) Non-Residential Property, (iii) Undeveloped Property, (iv) Affordable Housing, or (v) Assessor's Parcels with public or utility easements making impractical their utilization for other purposes than those set forth in the easement.

## **G. APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2007-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

## **H. MANNER OF COLLECTION**

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 2007-1 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**ATTACHMENT B**

**RESOLUTION NO. CC 17-04**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, ADOPTING BOUNDARY MAP SHOWING TERRITORY PROPOSED TO BE ANNEXED IN THE FUTURE TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)**

**WHEREAS**, the City Council of the City of Covina, California, (hereafter referred to as the “City Council”), formed a Community Facilities District, designated as Community Facilities District No. 2007-1 (Public Services) (“CFD No. 2007-1”), pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the “Act”); and

**WHEREAS**, the City Council desires to initiate proceedings to annex certain territory to CFD No. 2007-1; and

**WHEREAS**, there has been submitted a map showing the territory proposed to be annexed to CFD No. 2007-1, said area to be designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 12 (hereafter referred to as “Annexation No. 12”).

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.**     Recitals. The above recitals are all true and correct.

**SECTION 2.**     Annexation Map. The map showing Annexation No. 12 to be subject to the levy of a special tax upon the annexation of such territory to CFD No. 2007-1 is hereby approved and adopted. Such map is designated by the name of “Annexation Map No. 12 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California.”

**SECTION 3.**     Certificate. A certificate shall be endorsed on the original and on at least one (1) copy of the map of Annexation No. 12, evidencing the date and adoption of this Resolution, and within fifteen days after the adoption of the Resolution of Intention fixing the time and place of the Public Hearing to annex Annexation No. 12 to CFD No. 2007-1, a copy of said map shall be filed with the correct and proper endorsements thereon with the Los Angeles County Recorder, all in the manner and form provided for in Section 3111 of the Streets and Highways Code of the State California.

**SECTION 4.**     The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED AND PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM;

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. CC 17-04 was duly adopted by the City Council of the City of Covina at a regular meeting of the City Council held on the 17<sup>th</sup> day of January, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

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# CITY OF COVINA AGENDA REPORT

ITEM NO. CC 11

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**MEETING DATE:** January 17, 2017

**TITLE:** Quarterly Report of the Treasurer to the City Council and the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended December 31, 2016

**PRESENTED BY:** **Geoffrey Cobbett, Treasurer**  
**Anita Agramonte, Finance Director**

**RECOMMENDATION:** Receive and File.

---

**BACKGROUND:**

Pursuant to Government Code Section 53600 et seq. and Section 4.0 of the City of Covina's Investment Policy, the Treasurer is required to render a report to the City Council and City Manager, containing detailed information of all securities, investments and moneys of the City. The report shall be submitted on a quarterly basis.

**DISCUSSION:**

The attached quarterly report for the City and Successor Agency reflect the portfolio balances for the quarter ended December 31, 2016. The report is in conformity with the City's Investment Policy as well as Government Code 53601.

There are sufficient funds to meet the pooled expenditure requirements for all City funds for the next 6 months.

**FISCAL IMPACT:**

None to receive and file.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anita Agramonte".

---

Anita Agramonte  
Finance Director

**ATTACHMENTS:**

A - CITY	Quarterly Report of the Treasurer to the City Council for the Quarter Ended December 31, 2016
A-1-CITY	Cash and Investment Summary
A - AGENCY	Quarterly Report of the Treasurer to the Successor Agency to the Covina Redevelopment Agency for the Quarter Ended December 31, 2016
A-1-AGENCY	Cash and Investment Summary
A-2	Total Investment Portfolio as of December 31, 2016
A-3	Investment Transaction Summary
A-4	Investment Holdings by Sector
A-5	Cash and Investments - Three Year Comparison
A-6	City LAIF Statement for December 2016
A-7	Successor Agency LAIF Statement for December 2016
A-8	LAIF Market Valuation for November 30, 2016

**EXHIBIT A**  
**QUARTERLY REPORT OF THE TREASURER TO THE CITY COUNCIL**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

<b>CASH BALANCE</b>	<b>9/30/2016</b>	<b>\$39,727,849.98</b>
RECEIPTS	10/1/16-12/31/16	22,719,207.21
DISBURSEMENTS	10/1/16-12/31/16	<u>(21,608,096.12)</u>
<b>CASH BALANCE</b>	<b>12/31/2016</b>	<b><u><u>\$40,838,961.06</u></u></b>

**ANALYSIS OF CASH AND INVESTMENT BALANCE - BOOK VALUE**

LOCAL AGENCY INVESTMENT FUND		18,881,077.06
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	13,057,663.54
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	49,285.99
<b>TOTAL INACTIVE PUBLIC DEPOSITS</b>		<b><u>\$31,988,026.59</u></b>
CHECKING AND PETTY CASH BALANCES		<u>8,850,934.47</u>
<b>CASH AND INVESTMENT BALANCE</b>	<b>6/30/2016</b>	<b><u>\$40,838,961.06</u></b>
CASH HELD BY BOND TRUSTEES		<u>11,733,863.70</u>
<b>TOTAL CASH AND INVESTMENT BALANCE</b>	<b>6/30/2016</b>	<b><u><u>\$52,572,824.76</u></u></b>

The purpose of this report is to provide readers with the overall cash position of the City. There is sufficient investment liquidity to meet the pooled expenditures of all City's funds for the next 6 months.

Respectfully submitted,



Geoffrey Cobbett  
Treasurer

**EXHIBIT A-1**  
**CITY OF COVINA**  
**CASH AND INVESTMENT SUMMARY**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

TYPE OF INVESTMENT	ISSUER	BOOK VALUE \$	ACQUISITION DATE	MATURITY DATE	MARKET VALUE \$
<b>City of Covina:</b>					
Drawer & Petty Cash	N/A	8,435.49	N/A	N/A	8,435.49
General - Checking Account	Bank of the West	\$6,071,924.85	N/A	Demand	6,071,924.85
Public Agency Saving - Parking Fines	Bank of the West	88,365.69	N/A	Demand	88,365.69
Utility Billing Account	Wells Fargo	\$256,950.98	N/A	Demand	256,950.98
Workers' Compensation - Checking Account	Bank of the West	48,571.40	N/A	Demand	48,571.40
Payroll - Checking Account	Bank of the West	\$255,795.37	N/A	Demand	255,795.37
Federal Treasury Narcotics - Checking Account	Bank of the West	14,658.64	N/A	Demand	14,658.64
Federal Justice Department Admin - Checking Account	Bank of the West	71,413.57	N/A	Demand	71,413.57
Money Market	Bank of the West	\$2,012,821.64	N/A	Demand	2,012,821.64
AFLAC Flexible Spending Account	Bank of the West	21,996.84	N/A	Demand	21,996.84
Bond Logistix Investment Portfolio	Various	13,057,663.54	Various	Various	12,997,850.50
Wells Fargo Money Market and U.S. Treasury Bills	Various	49,285.99	N/A	Demand	49,285.99
Local Agency Investment Fund	State of California	18,881,077.06	N/A	Demand	18,881,077.06
Subtotal (A)		<b>\$40,838,961.06</b>			<b>\$40,779,148.02</b>
<b>Cash Held Under 3rd Party Administrator:</b>					
2010 Covina Water Revenue Bond	U.S. Bank	4,094,433.29	N/A	Demand	\$4,094,433.29
2009 Covina Wastewater Bonds	BNY Mellon	7,639,430.41	N/A	Demand	\$7,639,430.41
Subtotal (B)		<b>\$11,733,863.70</b>			<b>\$11,733,863.70</b>
<b>TOTAL (A+B)</b>		<b>\$52,572,824.76</b>			<b>\$52,513,011.72</b>

The purpose of this schedule is to show the total cash and investments held by the City of Covina by account.

**EXHIBIT A**  
**QUARTERLY REPORT OF THE TREASURER TO THE SUCCESSOR AGENCY TO THE COVINA**  
**REDEVELOPMENT AGENCY**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

<b>CASH BALANCE</b>	<b>9/30/2016</b>	<b>\$10,293,116.91</b>
RECEIPTS	10/1/16-12/31/16	209,796.02
DISBURSEMENTS	10/1/16-12/31/16	<u>(1,198,732.09)</u>
<b>CASH BALANCE</b>	<b>12/31/2016</b>	<b><u><u>\$9,304,180.84</u></u></b>
 <b>ANALYSIS OF CASH AND INVESTMENT BALANCE</b>		
CHECKING ACCOUNT		1,599,337.50
LOCAL AGENCY INVESTMENT FUND		1,916,300.98
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	5,766,775.74
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	<u>21,766.62</u>
<b>AVAILABLE CASH BALANCES</b>		<b>\$9,304,180.84</b>
CASH AND INVESTMENTS HELD BY BOND TRUSTEES		<u>1,228,657.86</u>
<b>TOTAL CASH &amp; INVESTMENT BALANCE</b>	<b>12/31/2016</b>	<b><u><u>\$10,532,838.70</u></u></b>

The purpose of this report is to provide readers with the overall cash position of the Successor Agency to the Covina Redevelopment Agency (Agency). There is sufficient investment liquidity to meet the pooled expenditures of all Agency's funds for the next 6 months.

Respectfully submitted,



Geoffrey Cobbett  
Treasurer

**EXHIBIT A-1**  
**SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY**  
**CASH AND INVESTMENT SUMMARY**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

TYPE OF INVESTMENT	ISSUER	BANK VALUE \$	ACQUISITION DATE	DATE	MARKET VALUE \$
<b>Successor Agency to the Covina Redevelopment Agency:</b>					
Checking Account	Bank of the West	\$1,599,337.50	N/A	Demand	1,599,337.50
Bond Logistix Portfolio	Various	5,766,775.74	Various	Various	5,718,593.34
Wells Fargo Money Market and Treasury Bills	Various	21,766.62	N/A	Demand	21,766.62
Local Agency Investment Fund	State of California	1,916,300.98		Demand	1,916,300.98
Subtotal (A)		<b>\$9,304,180.84</b>			<b>\$9,255,998.44</b>
<b>Cash Held Under 3rd Party Administrator:</b>					
(1) 2013 Series A Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	1,216,633.43	N/A	Demand	1,216,633.43
(2) 2014 Series A Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	11,221.27	N/A	Demand	11,221.27
(3) 2004 Series B Tax Allocation Bonds Fiscal Agent: U.S. Bank	U.S. Bank*	803.16	N/A	Demand	803.16
Subtotal (B)		<b>\$1,228,657.86</b>			<b>\$1,228,657.86</b>
<b>TOTAL (A+B)</b>		<b>\$10,532,838.70</b>			<b>\$10,484,656.30</b>

The purpose of this schedule is to show the total cash and investments held by the Successor Agency to the Covina Redevelopment Agency by account.  
\* Formerly BNY Mellon

**Exhibit A-2**  
**CITY OF COVINA**  
**Bond Logistix**  
**Investment Portfolio as of**  
**December 2016**

Dated	Qty	Market Price Per Share	Total Original Cost Value	Original Cost Value-CITY	Original Cost Value-AGENCY*	Total Market Value	Market Value-CITY	Market Value-AGENCY*	Coupon	CUSIP	Maturity	Issuer
12/2/2013	6,000	100.145000	600,562.50	416,583.09	183,979.41	600,870.00	416,796.39	184,073.61	1.2500	912828A34	11/30/2018	US Treasury
12/31/2013	6,000	100.582000	610,640.63	423,573.83	187,066.80	603,492.00	418,615.15	184,876.85	1.5000	912828A75	12/31/2018	US Treasury
12/31/2013	3,000	100.582000	304,453.13	211,185.39	93,267.74	301,746.00	209,307.58	92,438.42	1.5000	912828A75	12/31/2018	US Treasury
3/31/2014	8,500	100.793000	871,548.83	604,554.07	266,994.76	856,740.50	594,282.20	262,458.30	1.6250	912828C65	3/31/2019	US Treasury
4/30/2014	8,250	100.781000	843,691.41	585,230.64	258,460.77	831,443.25	576,734.64	254,708.61	1.6250	912828D23	4/30/2019	US Treasury
9/2/2014	9,250	100.691000	944,764.65	655,340.58	289,424.07	931,391.75	646,064.40	285,327.35	1.6250	912828D80	8/31/2019	US Treasury
9/2/2014	8,000	100.691000	810,906.25	562,489.05	248,417.20	805,528.00	558,758.40	246,769.60	1.6250	912828D80	8/31/2019	US Treasury
10/31/2014	6,150	100.242000	617,258.20	428,164.14	189,094.06	616,488.30	427,630.10	188,858.20	1.5000	912828F62	10/31/2019	US Treasury
12/1/2014	6,150	100.207000	617,017.97	427,997.51	189,020.46	616,273.05	427,480.79	188,792.26	1.5000	912828G61	11/30/2019	US Treasury
3/16/2015	9,500	100.503900	954,787.11	662,292.71	292,494.40	950,446.50	659,281.82	291,164.68	1.0000	912828I68	3/15/2018	US Treasury
9/15/2015	8,000	99.789000	795,281.25	551,650.69	243,630.56	798,312.00	553,752.99	244,559.01	1.0000	912828L40	9/15/2018	US Treasury
01/15/16	5,500	99.809000	552,320.31	383,119.66	169,200.65	548,949.50	380,781.48	168,168.02	1.1250	912828N63	1/15/2019	US Treasury
12/31/10	5,000	101.801000	525,351.56	364,412.66	160,938.90	509,005.00	353,073.79	155,931.21	2.7500	912828PN4	12/31/2017	US Treasury
12/31/10	4,250	101.801000	445,353.52	308,921.63	136,431.89	432,654.25	300,112.72	132,541.53	2.7500	912828PN4	12/31/2017	US Treasury
09/03/15	6,750	102.004000	705,480.47	489,359.95	216,120.52	688,527.00	477,600.09	210,926.91	2.7500	912828PY0	2/18/2018	US Treasury
08/01/11	8,000	101.801000	828,000.00	574,346.21	253,653.79	814,408.00	564,918.06	249,489.94	2.2500	912828QY9	9/3/2015	US Treasury
04/30/12	8,500	99.941000	858,998.05	595,848.16	263,149.89	849,498.50	589,258.75	260,239.75	1.2500	912828ST8	4/30/2019	US Treasury
10/01/12	6,000	99.859000	594,416.02	412,319.55	182,096.47	599,154.00	415,606.08	183,547.92	0.6250	912828TS9	9/30/2017	US Treasury
01/31/13	9,750	99.926000	969,820.31	672,720.56	297,099.75	974,278.50	675,813.00	298,465.50	0.8750	912828UJ7	1/31/2018	US Treasury
04/30/13	6,500	99.512000	644,007.81	446,719.14	197,288.67	646,828.00	448,675.38	198,152.62	0.6250	912828UZ1	4/30/2018	US Treasury
07/01/13	8,000	100.469000	808,437.50	560,776.59	247,660.91	803,752.00	557,526.47	246,225.53	1.3750	912828VK3	6/30/2018	US Treasury
07/31/13	7,750	100.445000	785,837.89	545,100.26	240,737.63	778,448.75	539,974.75	238,474.00	1.3750	912828VQ0	7/31/2018	US Treasury
10/31/13	6,000	100.160000	601,125.00	416,973.27	184,151.73	600,960.00	416,858.82	184,101.18	1.2500	912828WD8	10/31/2018	US Treasury
10/31/13	3,000	100.160000	302,484.38	209,819.76	92,664.62	300,480.00	208,429.41	92,050.59	1.2500	912828WD8	10/31/2018	US Treasury
06/02/14	8,500	100.461000	869,457.03	603,103.08	266,353.95	853,918.50	592,324.71	261,593.79	1.5000	912828WLO	5/31/2019	US Treasury
07/31/14	5,500	100.699000	561,687.50	389,617.26	172,070.24	553,844.50	384,176.92	169,667.58	1.6250	912828WW6	7/31/2019	US Treasury
05/15/15	8,000	99.965000	800,750.00	555,444.12	245,305.88	799,720.00	554,729.65	244,990.35	1.0000	912828XA3	5/15/2018	US Treasury
<b>Subtotal Securities</b>			\$ 18,824,439.28	\$ 13,057,663.54	\$ 5,766,775.74	\$ 18,667,157.85	\$ 12,948,564.51	\$ 5,718,593.34				
Wells Fargo Mmkt			\$ 71,052.61	\$ 49,285.99	\$ 21,766.62	\$ 71,052.61	\$ 49,285.99	\$ 21,766.62				
Total Value of Portfolio			\$ 18,895,491.89	\$ 13,106,949.53	\$ 5,788,542.36	\$ 18,738,210.46	\$ 12,997,850.50	\$ 5,740,359.96				

The purpose is to demonstrate compliance with the city's adopted Investment Policy. This is a required report per Government Code section 53646(b). The investment portfolio as presented is in compliance with the City's and Agency's adopted Investment Policy.

\* Agency is the Successor Agency to the Covina Redevelopment Agency

**EXHIBIT A-3**  
**CITY OF COVINA & SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY**  
**Investment Transaction Summary**  
**for the Quarter Ended December 31, 2016**

Purchased Investments									
Qty	Purch Date	Maturity	Share Price at Purch Date	Original Cost Value	Market Value at Purchase Date	Discount / (Premium) on Purchase	Issuer	CUSIP	Held by
6,150	12/12/16	10/31/2019	100.367200	617,258.20	617,258.28	0.08	US Treasury	912828F62	Bond Logistix
6,150	12/12/16	11/30/2019	100.328100	617,017.97	617,017.82	(0.15)	US Treasury	912828G61	Bond Logistix
8,000	11/15/16	8/31/2019	101.363300	810,906.25	810,906.40	0.15	US Treasury	912828D80	Bond Logistix
<b>Total</b>				<b>2,045,182.42</b>	<b>2,045,182.50</b>	<b>0.08</b>			

Sold/Matured Investments									
Qty	Purch Date	Maturity	Sale / Maturity Date	Share Price at Sale / Maturity Date	Original Cost Value	Sale / Maturity Price	Gain / (Loss) on Sale / Redemption	Interest Earnings Since Purchase	Held by
7,750		11/30/2017	12/8/2016	101.324000	802,760.74	784,869.14	(17,891.60)	34,875.00	Bond Logistix
4,500	5/6/2016	9/30/2017	12/8/2016	99.828000	449,806.64	449,244.14	(562.50)	3,330.19	Bond Logistix
8,000		8/31/2017	11/14/2016	99.953000	790,875.00	799,500.00	8,625.00	10,980.66	Bond Logistix
<b>Total</b>					<b>2,043,442.38</b>	<b>2,033,613.28</b>	<b>(9,829.10)</b>	<b>49,185.85</b>	

**Net Revenue Analysis - for Period Ending September 30, 2016**

Period	Portfolio Manager	Interest Revenue	Gain / (Loss) on Sales	Management Fees	Net revenue / (Loss)	Fees as a % of Revenue
Previous Quarter	Bond Logistix	40,602.83	(9,829.10)	(6,486.30)	24,287.43	21%
Previous 12 mos.	Bond Logistix	220,897.25	(93,916.01)	(21,500.00)	105,481.24	17%

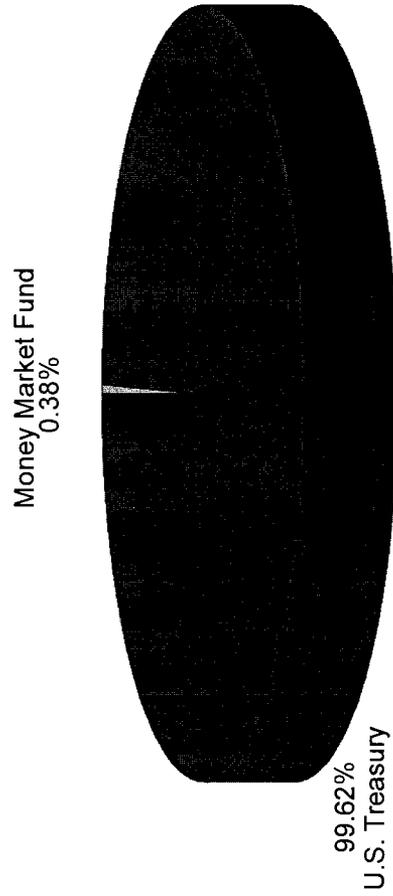
**PREVIOUS 12 MONTH FEE ANALYSIS**

Jan 2016-Dec 2016	
Investments Held (Bond Logistix)	<b>\$ 18,895,491.89</b>
Total Fees	\$21,500.00
Fees as % of Portfolio	0.11%

**EXHIBIT A-4**  
**CITY OF COVINA AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**  
**Investment Holdings by Sector**

	Bond Logistix* Investment Book Value	Total Percentage
Money Market Fund	71,053	0.38%
U.S. Treasury	18,824,439	99.62%
<b>Total</b>	<b>18,895,492</b>	<b>100.00%</b>

Holdings by Sector

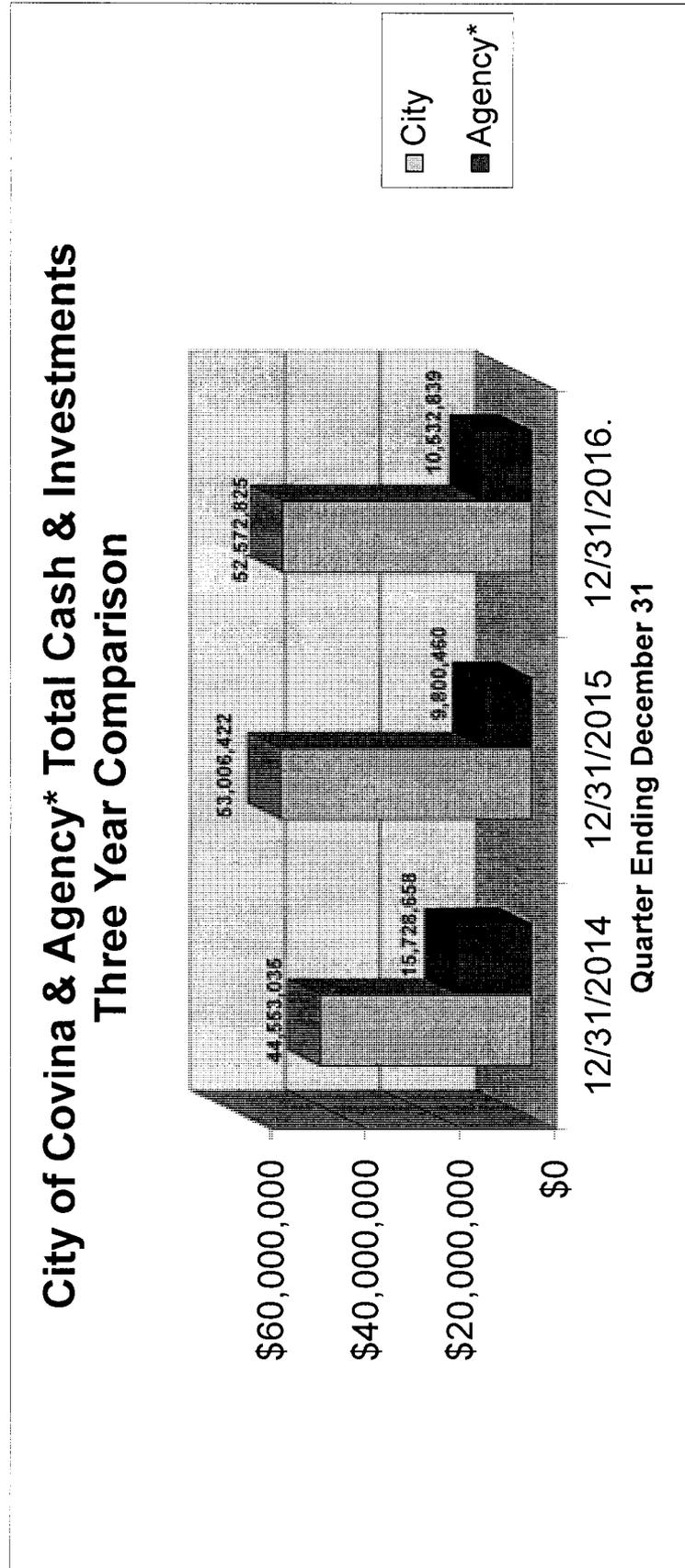


\* Bond Logistix average S&P rating: AA+. Average coupon rate: 1.46% (based on weighted average of Original Cost Value)

This chart shows the breakdown of the City's investments into the various investment sectors.

**EXHIBIT A-5**  
**CITY OF COVINA AND SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY**  
**Cash and Investments Three Year Comparison**

Quarter Ending	City	Agency*
12/31/2014	44,553,035	15,728,658
12/31/2015	53,006,422	9,800,460
12/31/2016.	52,572,825	10,532,839



The purpose of this schedule is to show, for comparison purposes, the total cash and investment values for the last 3 years.  
 \*Successor Agency to Covina Redevelopment Agency

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001  
CITY OF COVINA

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
January 09, 2017

CITY TREASURER  
125 E. COLLEGE STREET  
COVINA, CA 91723-2199

PMIA Average Monthly Yields

Account Number:  
98-19-219

Tran Type Definitions

December 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	18,881,077.06
Total Withdrawal:	0.00	Ending Balance:	18,881,077.06

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
January 09, 2017

S/A CITY OF COVINA FOR COVINA  
REDEVELOPMENT AGENCY  
FINANCE DIRECTOR  
125 EAST COLLEGE STREET  
COVINA, CA 91723-2199

PMIA Average Monthly Yields

**Account Number:**  
65-19-007

Tran Type Definitions

December 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,916,300.98
Total Withdrawal:	0.00	Ending Balance:	1,916,300.98



**State of California**  
**Pooled Money Investment Account**  
**Market Valuation**  
**11/30/2016**

Description	Carrying Cost Plus			
	Accrued Interest	Purch.	Fair Value	Accrued Interest
<b>United States Treasury:</b>				
Bills	\$	11,349,827,525.09	\$ 11,372,982,500.00	NA
Notes	\$	20,341,038,812.28	\$ 20,311,892,500.00	\$ 35,486,430.00
<b>Federal Agency:</b>				
SBA	\$	761,405,131.96	\$ 754,065,685.42	\$ 482,520.99
MBS-REMICs	\$	50,840,002.73	\$ 53,523,811.20	\$ 240,005.75
Debentures	\$	975,123,587.82	\$ 971,802,500.00	\$ 1,873,479.25
Debentures FR	\$	-	\$ -	\$ -
Discount Notes	\$	6,178,470,972.14	\$ 6,191,058,000.00	NA
GNMA	\$	-	\$ -	\$ -
Supranational Debentures	\$	299,983,841.05	\$ 298,532,000.00	\$ 452,014.00
Supranational Debentures FR	\$	50,000,000.00	\$ 50,186,500.00	\$ 66,524.31
CDs and YCDs FR	\$	200,000,000.00	\$ 200,000,000.00	\$ 151,707.17
Bank Notes	\$	600,000,000.00	\$ 600,134,553.25	\$ 1,801,055.55
CDs and YCDs	\$	10,250,000,000.00	\$ 10,251,619,276.00	\$ 20,974,777.74
Commercial Paper	\$	7,533,795,680.52	\$ 7,542,975,347.20	NA
<b>Corporate:</b>				
Bonds FR	\$	-	\$ -	\$ -
Bonds	\$	-	\$ -	\$ -
Repurchase Agreements	\$	-	\$ -	\$ -
Reverse Repurchase	\$	-	\$ -	\$ -
Time Deposits	\$	5,231,440,000.00	\$ 5,231,440,000.00	NA
AB 55 & GF Loans		6,540,256,000.00	\$ 6,540,256,000.00	NA
<b>TOTAL</b>	<b>\$</b>	<b>70,362,181,553.59</b>	<b>\$ 70,370,468,673.07</b>	<b>\$ 61,528,514.76</b>

Fair Value Including Accrued Interest

\$ 70,431,997,187.83

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

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## CITY OF COVINA

# AGENDA REPORT

ITEM NO. CC 12

---

**MEETING DATE:** January 17, 2017

**TITLE:** Amend the Finance Department's Authorized Staffing Schedule of Budgeted Positions to Downgrade a Vacant Senior Accountant Position to an Accountant Position

**PRESENTED BY:** Anita Agramonte, Finance Director

**RECOMMENDATION:** Authorize the amendment of the Finance Department's Authorized Staffing Schedule of Budgeted Positions to downgrade a vacant Senior Accountant position to an Accountant position and recruit to fill the vacancy

---

### **BACKGROUND:**

The past year and a half has been a transition period for the Finance Department. During the June, 2015 layoffs, the department lost four positions and four additional employees left subsequently. Although some vacancies have since been filled, this left the department with a current staff of 5 full-time, 1 interim and 3 part-time employees. During this transition period, functions previously performed by these vacant positions were outsourced to various consultants and temporary staffing firms.

The approved staffing structure for the Finance Department includes 8 full time and 4 part time positions. The Fiscal Year 2016-17 Budget authorizes funding for two Senior Accountant positions. One of these positions is currently vacant. Prior to Fiscal Year 2014-15, the department was staffed with one Accountant and one Senior Accountant. The department recommends reinstating this prior staffing structure to allow for progression of duties and responsibility.

### **DISCUSSION:**

The accountant classification is included in the Mid-Management, Supervisory and Professional, and Confidential and Technical Employees Compensation Rules. Approval by City Council is required in order to amend the City's authorized staffing schedule of budgeted positions to replace one Senior Accountant position with an Accountant position.

Reinstating this staffing structure re-establishes an appropriate hierarchy in the department based on duties performed and level of responsibility. The existing Senior Accountant will continue to perform more difficult and complex assignments, while the Accountant will be tasked with the ongoing routine tasks of the department including processing journal entries, month-end, bank reconciliations, various account analysis, and assisting with budget, mid-year and audit procedures.

The established salary range for the Accountant position is \$4,172 - \$5,462 per month which is approximately 12% less than the range for the Senior Accountant position.

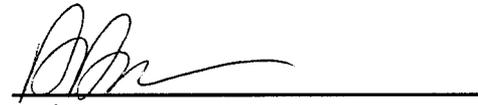
**FISCAL IMPACT:**

Funding for the Senior Accountant position is authorized and budgeted in the Finance Department Fiscal Year 2016-17 Budget. Downgrading this position to an Accountant position would result in annual savings of approximately \$9,645. In the current Fiscal Year these savings are utilized for temporary accounting staffing services to assist the department during the transition. The department will continue assessing staffing needs and structure through the upcoming budget process and the Fiscal Year 2017-18 budget will incorporate any savings from this amendment as well as any additional staffing recommendations.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

None.

Respectfully submitted,



Anita Agramonte  
Finance Director

**ATTACHMENT:**

Attachment A: Accountant Position Description

## CITY OF COVINA

### ACCOUNTANT

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities that are associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

#### **DEFINITION:**

Under general supervision, assists in the planning, development and control of the City's accounting system; performs professional and para-professional level accounting duties, including general accounting, cashiering, payroll, accounts payable, and accounts receivable; prepares financial and statistical statements in accordance with Generally Accepted Accounting Principles (GAAP) and governmental accounting standards; assists in auditing City funds and accounts; performs other related duties as required.

#### **DISTINGUISHING CHARACTERISTICS:**

The **Accountant** is the journey level classification in which incumbents are expected to perform the full scope of professional accounting duties with minimum supervision. Successful performance requires a thorough knowledge of governmental accounting procedures and the ability to exercise sound independent judgment. This classification is distinguished from the next higher classification of Senior Accountant in that the latter is responsible for the more complex and difficult assignments.

#### **SUPERVISION RECEIVED/EXERCISED:**

Receives general supervision from the Accounting Supervisor or higher level accounting staff. May exercise functional and technical supervision over lower level staff.

#### **ESSENTIAL FUNCTIONS:** *(include but are not limited to the following)*

- Performs professional and para-professional level accounting duties, including general accounting, cashiering, payroll, accounts payable, and accounts receivable; prepares financial and statistical statements in accordance with Generally Accepted Accounting Principles (GAAP) and governmental accounting standards; assists in auditing City funds and accounts.
- Participates in the operation of automated financial management systems; identifies, develops and implements new applications as needed; compiles the monthly balance sheets, cash receipts and disbursement statements; prepares journal entries and adjustments to the general ledger; prepares a variety of financial and statistical reports, including year-end and month-end reporting.
- Compiles and prepares financial statements, general and subsidiary ledgers, supporting schedules, and other financial and statistical reports; establishes and maintains complete files and records related to assigned functions; participates in the maintenance of various computer files and records; inputs and retrieves a variety of fiscal and statistical information.

## ACCOUNTANT

Page 3

and equipment; modern office practices, methods and equipment, including a computer and applicable software; methods and techniques for record keeping and report preparation and writing; proper English, spelling and grammar; occupational hazards and standard safety practices.

### **Ability to:**

Examine and verify financial documents, reports and transactions; prepare a variety of financial statements, reports and analyses; analyze, post, balance and reconcile financial data, ledgers and accounts; prepare the City's payroll and all related functions; direct and review the work of assigned support staff; perform mathematical calculations quickly and accurately; interpret, explain and apply applicable laws, codes and regulations; read, interpret and record data accurately; organize, prioritize and follow-up on work assignments; work independently and as part of a team; make sound decisions within established guidelines; analyze a complex issue, and develop and implement an appropriate response; follow written and oral directions; observe safety principles and work in a safe manner; communicate clearly and concisely, both orally and in writing; establish and maintain effective working relationships.

### **Skill to:**

Operate standard office equipment including a computer and variety of word processing and software applications, including financial and accounting programs.



# CITY OF COVINA AGENDA REPORT

ITEM NO. PH 1

- MEETING DATE:** January 17, 2017
- TITLE:** Public Hearing to consider a substantial amendment to the Fiscal Year (FY) 2016-2017 Community Development Block Grant (CDBG) program budget.
- PRESENTED BY:** Brian K. Lee, Director of Community Development  
Siobhan Foster, Director of Public Works  
Amy Hall-McGrade, Director of Parks and Recreation/Library
- RECOMMENDATION:**
1. Open the public hearing and receive public testimony;
  2. Close the public hearing;
  3. Adopt **Resolution No. CC 17-07**, authorizing approval of the new Covina Senior Center Demolition project; and reduction of budget funding for Project 601802-15, Covina Senior Center Project (Phase 1);
  4. Authorize the City Manager or his designee to execute documents related to the FY 2016-2017 CDBG funds.

**BACKGROUND:**

As a municipality with a population below 50,000, the City of Covina (City) is ineligible to receive CDBG funding directly from United States Department of Housing and Urban Development (HUD). Instead, the City receives CDBG funds from the Los Angeles County Community Development Commission (LACDC) through the Urban County Program. Under this program, LACDC applies to HUD for CDBG funding, and then divides the funding amongst its sub-recipients such as the City of Covina. The City’s CDBG funding is accounted for under the Community Development Department budget. All changes approved by the City Council are presented to the LACDC for approval and processing.

The City of Covina has undergone a process of determination of status for the Joslyn Senior Center, which has been closed and is pending demolition. Two CDBG projects have been approved for the construction of the new senior center: one project provides funding for the design component (Phase 1), and a second project provides funding for construction (Phase 2).

**Table 1. Existing CDBG-funded Covina Senior Center projects**

Project Number	Project Name	Amount of funding allocated
601802-15-SC15	Covina Senior Center Project-Phase 1	\$202,309
601786-16-SC16	Covina Senior Center Project-Phase 2	\$416,188

**DISCUSSION:**

At their December 13, 2016, meeting, the Finance Advisory Commission (Commission), which makes recommendations to the City Council for CDBG funding, discussed the need to fund the demolition of the existing Senior Center in Kelby Park.

In certain cases, demolition is an approved use of CDBG funds. It is proposed to use \$100,000 of Fiscal Year 2016-2017 funds, now budgeted in Project 601802-15, Covina Senior Center Project (Phase 1), for demolition of the existing blighted building, which qualifies under the CDBG category of public safety hazard. Funds may also be used for lead-based and asbestos testing, remediation, and clearance activities associated with the demolition, as well as administration.

The Commission voted 5-0 to recommend to the City Council that Project 601802-15 (Covina Senior Center Project-Phase 1) funds be reduced by \$100,000, and a new FY 2016-2017 project “Senior Center Demolition” be approved in the amount of \$100,000. If approved, projects would be funded as follows:

**Table 2. CDBG-funded Covina Senior Center projects—Existing and Proposed**

Project Number	Project Name	Amount of funding allocated	Project funding status
601802-15-SC15	Covina Senior Center Project-Phase 1	\$102,309	Reduced
601786-16-SC16	Covina Senior Center Project-Phase 2	\$416,188	Unchanged
To be determined	Covina Senior Center Demolition Project	\$100,000	New Project

**Public Notice for Substantial Change**

A new program which starts during a fiscal year constitutes a substantial change to the Community Development Block Grant Consolidated Plan (Action Plan). A substantial change requires a public notice period of 30 days. On December 16, 2016, a public notice was published in the San Gabriel Valley Tribune, with the required 30-day notice for mid-year changes to the Action Plan, which identifies projected uses of funds for the Forty-Second Fiscal Year (July 1, 2016-June 30, 2017), for submission to the U.S. Department of Housing and Urban Development. See Attachment B.

**Required Drawdown**

Timeliness is a consideration in the expenditure of CDBG funds. No more than one-and-a-half times the annual allocation may remain unused by March 31 of each year. Approval of the new project “Covina Senior Center Demolition” will assist the City in meeting its HUD-required drawdown of CDBG funds.

**Considerations on use of CDBG funds**

This project will qualify under the criteria “spot blight,” as it meets the CDBG category of public safety hazard. The activity will eliminate specific conditions of physical decay not located in a designated slum or blighted area. Removal of the building is necessary as it is considered to be detrimental to public health and safety for the public in general.

**FISCAL IMPACT:**

\$100,000 in federal CDBG funds is available for re-programming under fund 2100. Funding for existing project 601802-15, Covina Senior Center Project, Phase 1, Account 2100SC15-42050-P1601 will be decreased by \$100,000, resulting in a remaining budget of \$102,309, and new project Covina Senior Center Demolition, will be funded in the amount of \$100,000, as detailed in attached resolution CC 17-07.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

- A. Resolution CC 17-07
- B. Public Notice of Hearing

**RESOLUTION NO. CC 17-07**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AUTHORIZING THE REDUCTION OF THE FORTY-FIRST YEAR CDBG PROJECT 601802-15, COVINA SENIOR CENTER PROJECT, PHASE 1, AND APPROVAL OF THE NEW FORTY-SECOND YEAR 2016-2017 COVINA SENIOR CENTER DEMOLITION PROJECT AND AMENDING THE FY 2016-2017 COMMUNITY DEVELOPMENT BUDGET TO REFLECT THESE CHANGES**

**WHEREAS**, the Community Development Block Grant (CDBG) Program has operated since 1974 to provide local governments with the resources necessary to meet the needs of persons of low-and moderate-income; and

**WHEREAS**, the City of Covina (City) contracts with the Los Angeles County Community Development Commission for the disbursement of Community Development Block Grant Funds, through the Urban County Program; and

**WHEREAS**, the City is authorized to implement the Covina Senior Center Project, Phase 1, Project 601802-15, under Contract Number 108333 between the City and the County of Los Angeles; and

**WHEREAS**, the City proposes to reduce the budget for Covina Senior Center Project, Phase 1, Project 601802-15, and to implement a new FY 2016-2017 project, Covina Senior Center Demolition; and

**WHEREAS**, the budget for the City of Covina for fiscal year commencing July 1, 2016, and ending June 30, 2017, was approved on July 19, 2016; and

**WHEREAS**, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

**WHEREAS**, the reallocation of the appropriations between departmental activities may be made by the City manager and amendments (increases/decreases) to the adopted budget shall be by approval and Resolution of the City Council; and

**WHEREAS**, the City of Covina wishes to allocate CDBG funds for the demolition of the existing senior center; and

**WHEREAS**, the actions referenced herein constitute a revision to the 2016-2017 CDBG Action Plan; and

**WHEREAS**, the City Council has conducted a public hearing, with the required prior notice, to provide the public with an opportunity to comment on the proposed revision, a Substantial Amendment to the 2016-2017 Action Plan.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council approves the reduction of the FY 2016-2017 CDBG Project Number 601802-15 in the amount of \$100,000 and the funding of a new FY 2016-2017 CDBG project, Covina Senior Center Demolition, in the amount of \$100,000, and instructs staff to submit the necessary documentation to the Los Angeles County Community Development Commission.

**SECTION 2.** The City Council authorizes City staff to amend the FY 2016-2017 City of Covina operating budget as follows: Transfer \$100,000 from account 2100SC15-50110-P1601 (Covina Senior Center Project-Phase 1) to account 2100SC17-55150-P1601, Covina Senior Center Demolition Project).

**SECTION 3.** The City Manager or his designee is authorized to execute documents related to the Fiscal Year 2016-2017 CDBG programs.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution.

**APPROVED and PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. CC 17-07 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 17th day of January, 2017, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

Dated: January 17, 2017

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SHARON F. CLARK, Chief Deputy City Clerk



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# CITY OF COVINA

## AGENDA REPORT

ITEM NO. PH 2

- 
- MEETING DATE:** January 17, 2017
- TITLE:** Public Hearing to consider approval of the Fiscal Year 2017-2018 Community Development Block Grant (CDBG) program budget.
- PRESENTED BY:** Brian K. Lee, Director of Community Development
- RECOMMENDATION:**
1. Open the public hearing and receive public testimony;
  2. Close the public hearing;
  3. Consider approval of the FY 2017-2018 CDBG program budget as recommended in Column 4 of the Table on Attachment A with the provision that the allocations be adjusted based on the final allocation as determined by the Los Angeles County Community Development Commission (LACDC), with a maximum of 15 percent of funding allocated for public service programs;
  4. Adopt **Resolution No. CC 17-08**, authorizing the allocation of the Forty Third Year CDBG funds for FY 2017-2018; and
  5. Authorize the City Manager or his designee to execute documents related to the FY 2017-2018 CDBG funds.
- 

### **BACKGROUND:**

As a municipality with a population below 50,000, the City of Covina (City) is ineligible to receive CDBG funding directly from United States Department of Housing and Urban Development (HUD). Instead, the City receives CDBG funds from LACDC through the Urban County Program. Under this program, LACDC applies to HUD for CDBG funding, and then divides the funding amongst its sub-recipients such as the City of Covina. The City's CDBG funding is accounted for under the Community Development Department budget.

LACDC requires that the City submits a preliminary budget and spending contract by January 31 of each year. Specific projects must be approved by LACDC and found to be in compliance with federal regulations.

### **DISCUSSION:**

The LACDC has not notified the City of the estimated final allocation of CDBG funds for FY 2017-2018, but recommends using the allocation amount of \$312,778 for planning purposes. This allocation amount is a slight decrease from the \$319,162 allocated to the City in FY 2016-2017. CDBG funds can only be spent on activities that:

- Benefit low- and moderate-income persons
- Prevent or eliminate slum and blight, or

- Meet community development needs having a particular urgency (must pose a serious and immediate threat to the health of welfare of the community).

Under the CDBG program, public service (non-capital/non-construction) projects are limited to 15 percent of the annual allocation. The public service allocation for FY 2017-2018 will be \$46,916.

In addition to the current year’s allocation of \$312,778, carryover funds from current and prior years amounts to \$42,697. Prior year carryover funds, plus the FY 2017-2018 funding available for programming, results in a total of \$355,475 available for FY 2017-2018 programming, with \$308,559 available for non-public service programming, as shown in the table below.

**Table 1. Funding Availability including current year funds**

FY 2017-2018 allocation	\$312,778
Prior Year carryover	\$ 42,697
Total available for programming	\$355,475
<u>Total available for public service programs</u>	<u>(\$ 46,916)</u>
Total available for non-public service programs	<b>\$308,559</b>

Expenses of administering the program will only be allowed for project-related tasks, and will be charged directly to the projects. There is no separate administrative allowance, as had been allowed in the past.

**Fiscal Year 2017-2018 Funding Applications**

Applications were received for the following public service programs:

- Senior Case Management
- Senior Information and Referral
- Senior Nutrition
- Second Start Literacy

Applications were received for the following non-public service programs:

- Rapid Rehousing and Homeless Services
- Covina Woman’s Club ADA Required Upgrades
- Residential Rehabilitation Program
- Covina ADA Transition Plan
- Adult Workforce Job Readiness Program
- Economic Development Incubator

All applications were submitted for City-run programs except for the application for funding submitted by the Covina Woman’s Club ADA Required Upgrades. A matrix of the project descriptions is attached at Attachment B.

The Commission considered all requests at their December 13, 2016, meeting. Five of the seven Commission members attended this meeting. City staff members were also present to discuss their programs and to answer questions. A copy of the minutes from the meeting is attached as Attachment C.

**Final Recommendation by the Finance Advisory Commission on FY 2017-2018 funding**

The Commission discussed the proposed projects at the Special Meeting of December 13, 2016, and then voted unanimously on two recommendations to the City Council. The first

recommendation was to approve the four public service programs with the funding limits indicated in Table 2.

**Table 2: Finance Advisory Commission Recommendation Part 1/Public Service**

<u>Program</u>	<u>Recommended FY 17-18 funding</u>
Second Start Literacy Program	\$16,916
Senior Information & Referral Program	\$10,000
Senior Nutrition Program	\$10,000
<u>Senior Case Management Program</u>	<u>\$10,000</u>
Total	\$46,916

The second recommendation, for non-public service funding, was made with two conditions.

1. If the Los Angeles County Community Development Commission does not go forward with their Rapid Rehousing program, the \$15,000 for that program will be reallocated to the Covina ADA Transition Plan; and
2. If the Covina Woman’s Club is chosen by the City Council to be the site for the next senior center, the \$20,000 for that program will be reallocated to the Covina ADA Transition Plan.

Staff has been advised that the Los Angeles County Community Development Commission is going forward with its Rapid Rehousing program, so the Rapid Rehousing Program is eligible for funding, and the Covina Woman’s Club was considered but was not the final choice of the City Council for the new Senior and Community Center, so it is also eligible for FY 2017-2018 CDBG funding, as recommended by the Finance Advisory Commission.

**Table 3: Finance Advisory Commission Recommendation Part 2/Non-Public Service Programs**

<u>Program</u>	<u>Recommended FY 17-18 funding</u>
Rapid Rehousing & Homeless Services	\$15,000
Covina Woman’s Club ADA Required Upgrades	\$20,000
Residential Rehabilitation	\$100,000
Covina ADA Transition Plan	\$100,000
Adult Workforce Job Readiness Program	\$48,559
<u>Economic Development Incubator</u>	<u>\$25,000</u>
Total	\$308,559

The recommendations are shown in Columns 4 and 5 in Attachment A. Staff concurs with the Commission recommendations. Minutes of the December 13, 2016, Finance Advisory Commission meeting are attached as Attachment C. The public hearing today was properly noticed and provides the public with a forum to discuss this matter.

**Update on FY 2016-2017 CDBG status**

In Fiscal Year 2016-2017, \$777,480 has been budgeted in seven (7) projects, as follows:

**Table 4: Current Year 16-17 CDBG program status**

	<u>Program</u>	<u>Current FY 16-17</u> <u>funding</u>
Public Service	Second Start Literacy	\$19,478
	Senior Information & Referral	\$10,000
	Senior Nutrition	\$10,000
	Senior Case Management	\$10,000
Non-Public Service	Housing Rehabilitation	\$109,505
	Covina Senior Center Project-Phase 1	\$202,309
	Covina Senior Center Project-Phase 2	<u>\$416,188</u>
Total		<u>\$777,480</u>

Staff is currently working with six (6) homeowners on housing rehabilitation projects. Applications have been distributed and are due in early January 2017. Administrative expenses are limited to 20 percent (20%) of the program funds that are project-related. In a separate public hearing this evening, the City Council will consider reallocation of \$100,000 of the Covina Senior Center Project (Phase 1) funds for a new project, Covina Senior Center Demolition. No funds have been expended in the Covina Senior Center Project-Phase 2. This project is on hold by the Community Development Commission until the Covina Senior Center Phase 1 project, the design phase of the project, is complete.

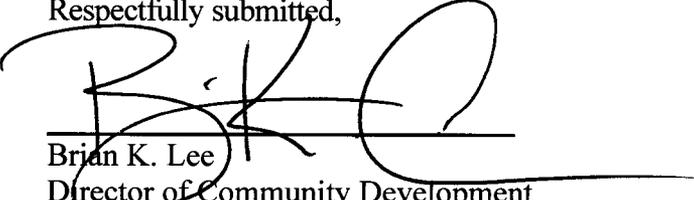
**FISCAL IMPACT:**

The City anticipates that no more than \$355,475 of federal CDBG funds from prior year and new fiscal year 2017-2018, will be available to the City. These funds will reimburse the expenditures of the programs. This new year allocation of \$312,778 is approximately the same amount as the last four fiscal years' funding.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

This activity will not result in a reasonably foreseeable change to the physical environment; it is exempt from CEQA under State CEQA Guidelines 15061 (b) (2) and (3) and does not constitute a project.

Respectfully submitted,



Brian K. Lee  
Director of Community Development

**ATTACHMENTS:**

- A: Funding Table with recommendations approved by the Finance Advisory Commission on December 13.
- B: Matrix of project descriptions
- C: Minutes of the Finance Advisory Commission meeting of December 13, 2016
- D: Resolution CC 17-08

ATTACHMENT A

CITY OF COVINA CDBG PROGRAM APPLICATIONS 2017-2018

43rd Year

**For Planning Purposes 2017-18:**

**Funding Available**

Estimated New Year Funds Available (17-18)	\$312,778
Carry-over funding	\$42,697
Public Services (15%) June 2, 2016	\$46,916.70
Total amount 16-17	\$355,475
Non Public Service Funds Available for Programming	\$308,559

Program Name	Current Fiscal Year 16-17 Active Projects	Fiscal Year 17-18 Request	Finance Advisory Commission Recommendation	Staff Recommendation
<b><u>PUBLIC SERVICE PROGRAMS</u></b>				
1 Second Start Literacy	\$19,478.00	\$19,478.00	\$16,916.00	\$16,916.00
2 Senior Info & Referral	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
3 Senior Nutrition (YWCA)	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
4 Sr. Case Mgmt (YWCA)	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
<b>Subtotal Public Service</b>	<b>\$49,478.00</b>	<b>\$49,478.00</b>	<b>\$46,916.00</b>	<b>\$46,916.00</b>
<b><u>Other Programs</u></b>				
5 Rapid Rehousing & Homeless Services		\$15,000.00	\$15,000.00	\$15,000.00
6 Covina Woman's Club ADA Required Upgrades (Note City recommendation funds ramp and front door)		\$88,000.00	\$20,000.00	\$20,000.00
7 Residential Rehabilitation	\$109,505.00	\$120,000.00	\$100,000.00	\$100,000.00
8 Covina ADA Transition Plan		\$113,559.00	\$100,000.00	\$100,000.00
9 Adult Workforce Job Readiness Program		\$75,000.00	\$48,559.00	\$48,559.00
10 Economic Development Incubator		\$75,000.00	\$25,000.00	\$25,000.00
<b>Subtotal Other Programs</b>		<b>\$486,559.00</b>	<b>\$308,559.00</b>	<b>\$308,559.00</b>
<b>Total Funding Requested</b>		<b>\$536,037.00</b>	<b>\$355,475.00</b>	<b>\$355,475.00</b>

Column

1

2

3

4

ATTACHMENT B

**Synopsis of Proposed Projects and Programs, FY 2017-2018**

<u>Name of Program</u>	<u>Description</u>	<u>Amount Requested</u>	<u>Item No.</u>
<b><u>Public Service Programs</u></b>			
Second Start Literacy Program	This is a continuing City project that provides trained volunteers to help adults who are “functionally illiterate” to develop basic literacy skills, enabling them to obtain employment, retain a job, receive job promotions, improve academic skills, and help their children with their school work. Funds would be used for tutor training in the foundational skills and techniques used to develop all five key areas of learning: Language Experience, Sight Words, Phonics, Vocabulary, and Comprehension, and will be used to purchase workbooks to supplement the adult literacy curriculum. The service is provided free of charge and on a one-to-one basis. Program is run by City of Covina staff through the Covina Library.	\$19,478	1
Senior Information & Referral	This is a continuing City project that provides referral services such as housing needs, transportation, legal assistance, support groups and health education awareness to senior citizens. Staff is available Monday through Thursday, 9 am to 4 pm, and Friday 9 am to 1 pm, to provide information and referral assistance to the seniors and their families. It is a one-stop program for the elderly. Program is run through the Senior Center of the Parks and Recreation Department.	\$10,000	2
Senior Nutrition Program	This is a continuing City program which provides meals to seniors and disabled residents in the City of Covina. Hot nutritious meals are provided Monday through Friday at the Joslyn Senior Center in Kelby Park. Service is provided by a contractor through the Parks and Recreation Department. A donation of \$3 is suggested but not required.	\$10,000	3
Senior Case Management	This is a continuing City program which provides case management services to senior citizens and disabled residents of the City. The part-time case manager assists persons in obtaining services or income they are eligible to receive. Program provides for in-home assessments and personal care programs for problem resolution as well as on-site service at Joslyn Senior Center. Service is provided by a contractor through the Parks and Recreation Department 8 hours per week, 52 weeks per year.	\$10,000	4
<b><u>Public Service Programs—County Pool</u></b>			
Rapid Rehousing and Homeless Services	This is a new pilot program by the Los Angeles County Community Development Commission to provide a pool of money to be administered by the CDC to provide housing	\$15,000	5

and supportive services to homeless persons and families who are seeking stable housing.

**Other Programs**

Covina Woman's Club ADA Upgrades	This is a new program requested by the Covina Woman's Club to fund ADA required renovation, including a ramp at the entrance doors, new exterior doors and repair, sealing and restriping of the parking lot.	\$88,000	6
Residential Rehabilitation Citywide	This is a continuing program providing a combination of grants and loans for repair, weather sealing, roofing and rehabilitation of existing single-family owned and occupied residences. The program is administered on a first-come, first-served basis, with very low income households receiving higher priority and urgent, safety, and hazardous conditions receiving priority as well. Funds are used for grants, loans, and a part-time employee.	\$120,000	7
Covina ADA Transition Plan	This is a new program where funds will be used to conduct an assessment by a Certified Access Specialist (CASP) to ensure its programs and services are accessible to persons with disabilities. These efforts will include evaluating City buildings and facilities to identify and address removing barriers to access by persons with disabilities. When the barriers are identified, funds will be used to address removal of barriers, including the cost of architectural plans and specifications.	\$113,559	8
Adult Workforce Job Readiness Program	The City will contract with a Community Based Development Organization (CBDO) to run a program that supports entry into career-track employment which will result in permanent jobs.	\$75,000	9
Economic Development Incubator	Establish a new Economic Development incubator to be built within the city limits. The incubator would focus on high-tech entrepreneurs. Funds will be used to make tenant improvements designed to provide inexpensive space and assistance to new firms to help them become viable businesses, to do marketing outreach and operate and manage the business incubator.	\$75,000	10



**FINANCE ADVISORY COMMISSION  
MINUTES OF SPECIAL MEETING  
December 13, 2016**

The special meeting of the Finance Advisory Commission was held on Tuesday, December 13, 2016, at 6:00 pm, in the Covina Library Community Room, 234 N. Second Avenue, Covina CA. 91723.

Members Present: Claudia Casasola, Geoff Cobbett, **Vice-Chair**, Richard Jett, Chair, Kay Manning, Tom Melendrez

Members Absent: Mark Cook, excused, Diane Fonseca, excused

Council Liaison: Peggy Delach (absent), Kevin Stapleton (absent)

Staff Present: Anita Agramonte, Finance Director  
Brian K. Lee, Community Development Director  
Nuala Gasser, Sr. Housing & CDBG Economic Development Manager

Public Present: Alice Slaughter, Melody Hynes, Lilly Jimenez

**CALL TO ORDER**

The meeting was called to order at 6:05 p.m. A quorum was present.

**AGENDA POSTING DECLARATION**

The Agenda stated the agenda for the December 13, 2016, meeting was posted near the front entrance of City Hall, 125 East College Street, Covina, in accordance with Section 54954.2(a) of the California Government Code.

**PUBLIC COMMENTS**

None.

**CONSENT CALENDAR--None**

**CONTINUED BUSINESS--None**

**NEW BUSINESS**

**NB 1. New FY 2016-2017 Proposed Project—Senior Center Demolition**

Recommendation: Commission to discuss options and make recommendation. If a recommendation is made to re-budget the \$100,000 in Project 601802-15 funds in a new FY

2016-2017 project "Senior Center Demolition", the recommendation will be made to the City Council at a public hearing in early 2017.

Nuala Gasser reviewed the staff report, which states that the City Council is in the process of determining the site for the location of the new Senior Center. The condition of the now closed and vacant site of the Joslyn Senior Center in Kelby Park was discussed in a report to the City Council on September 15, 2015. The site is deteriorated and a public hazard, and the building is to be demolished.

In certain cases, demolition is an approved use of CDBG funds. It is proposed to use \$100,000 of Fiscal Year 2016-2017 funds, now budgeted in Project 601802-15, Senior Center Construction/Design, for demolition of the existing blighted building, which qualifies under the CDBG category of public safety hazard. Funds may also be used for lead-based and asbestos testing, remediation, and clearance activities associated with the demolition, as well as administration.

Project 601802-15, Senior Center Construction/Design, has a current balance of \$202,309. The project would be reduced by \$100,000, resulting in a project balance for Senior Center Design of \$102,309.

After discussion, Vice Chair Cobbett moved to approve the recommendation. Commission Member Melendrez seconded the motion.

***Motion approved New Business 1 as follows:***

<b>AYES:</b>	<b>Casasola, Cobbett, Jett, Manning, Melendrez</b>
<b>NOES:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>
<b>ABSENT:</b>	<b>Cook, Fonseca</b>

**NB 2 CDBG Funding for applicants and programs for FY 2017-2018**

Recommendation: Consider requests for funding and make a recommendation for the City Council's consideration.

Nuala Gasser reviewed the staff report, stating that the current year allocation is \$312,778; \$42,697 in carry-over funding from prior years is also available for budgeting, for a total of \$355,475. Of that amount, \$46,916 is available for public service programs, and \$308,559 is available for other programs. An updated "Recommended Funding Table" was distributed to all present, which included Staff Recommendation for funding. See Attachment No. 1.

**Public Service Programs**

There is a 15% cap on the amount spent on public service projects. For fiscal year 2017-2018, the cap is estimated to be \$46,916. As each program must request a minimum of \$10,000, only four programs will be allowed to be funded.

Applications have been received for four programs under the Public Service category, all of which are continuing city programs:

1. Second Start Literacy Program
2. Senior Information and Referral Program
3. Senior Nutrition Program
4. Senior Case Management Program

The Senior Case Management Program provides case management services to seniors and the disabled. The Senior Nutrition Program provides hot, nutritious meals at low or no cost to seniors. The City partners with the YWCA of San Gabriel Valley for both the Senior Case Management Program as well as the Senior Nutrition Programs. The Senior Information and Referral Program provides services, information and referrals for service to seniors and the disabled. The Second Start Literacy Program provides support staff and training for volunteer tutors to teach basic reading and writing skills to adults as well as purchase materials for program participants.

Table 1—CDBG FY 17-18 Projects Requesting Funding

Program Name	Current Fiscal Year 16-17 Active Projects	Fiscal Year 17-18 Request
<b><u>PUBLIC SERVICE PROGRAMS</u></b>		
Second Start Literacy	\$19,478.00	\$19,478.00
Senior Info & Referral	\$10,000.00	\$10,000.00
Senior Nutrition (YWCA)	\$10,000.00	\$10,000.00
Sr. Case Mgmt (YWCA)	\$10,000.00	\$10,000.00
<b>Subtotal Public Service</b>	<b>\$49,478.00</b>	<b>\$49,478.00</b>
<b><u>Other Programs</u></b>		
Rapid Rehousing & Homeless Services		\$15,000.00
Covina Woman's Club ADA Required Upgrades		\$88,000.00
Residential Rehabilitation	\$109,505.00	\$120,000.00
Covina ADA Transition Plan		\$113,559.00
Adult Workforce Job Readiness Program		\$75,000.00
Economic Development Incubator		\$75,000.00
<b>Subtotal Other Programs</b>		<b>\$486,559.00</b>
<b>Total Funding Requested</b>		<b>\$536,037.00</b>

## Available Funding for Other Programs

Table 2: FY 2017-2018 CDBG Planning Funds Available

Fund Source	Fund Amount	Fund Allocation Public Service	Funding available for other FY 2017-2018 programming
New Year FY 17-18	\$312,778	\$46,916	\$265,862
Prior Year FY 16-17	\$42,697	0	\$42,697
Total	\$355,475	\$46,916	\$308,559

### Other Program Applications

One continuing program, Residential Rehabilitation, a City of Covina program, and five new programs have submitted applications for funding. Four of the new programs are proposed by the City of Covina, and one new program has been proposed by the Covina Woman's Club. A brief synopsis of the six programs follows:

#### *Rapid Rehousing and Homeless Services*

In addition to the four applications for use of City Public Service funds discussed above, a new application has been submitted for participation in a County pool for a regional Rapid Rehousing and Homeless Services Program. As the program would be a regional Community Development Commission program, the public service authority would be at County level, not City level. This program would be in coordination with the Los Angeles Department of Health Services and the Los Angeles Homeless Services Authority to fund housing for up to one year, for homeless families and individuals seeking housing.

Staff received four additional applications for other programs, three of which are programs run through City departments, and one application from the Covina Woman's Club.

#### *Covina Women's Club ADA Upgrades*

The Covina Woman's Club request is for funds for allowed improvements to the facility under the Americans with Disability Act (ADA). This program would qualify under Rehabilitation under 570.202(a)(4)(B)(11), meeting the National Objective 570.208(a)(2)(ii)(B).

#### *Residential Rehabilitation Program*

The Covina Residential Rehabilitation program, which is run through the Community Development Department, provides assistance to income qualified owner-occupied homes to repair health and safety issues, such as re-roofing the home.

#### *Covina ADA Transition Plan*

Under this new program, funds would be used to conduct an assessment of City programs and facilities to ensure they are accessible to persons with disabilities. After the completion of the assessment, funds will be used to remove barriers.

#### *Adult Workforce Job Readiness Program*

This proposed project would be run by a Community Based Development Organization (CBDO), to be identified. The work program will provide job training and job readiness to low-income persons to help them gain entry into career-track employment, resulting in permanent jobs.

*Economic Development Incubator*

Funds would be used to establish a new Economic Development incubator to be built within the City limits. Funds would be used to make tenant improvements designed to provide inexpensive space and assistance to new high-tech firms to help them become viable businesses, to do marketing outreach and operate and manage the business incubator.

**Presentations and Recommendation—Public Service Programs**

Lilly Jimenez, Literacy Coordinator, gave an overview of the Second Start Literacy Program. Vice Chair Cobbett asked about the staff recommendation to fund the Second Start Literacy Program for less funds than was requested. It was explained that the cap for public services prevented funding Second Start Literacy more than \$16,916.

Melody Hynes, Senior Services Supervisor, briefly spoke about the Case Management Program and distributed a listing of the services offered. Commission Member Melendrez and Vice Chair Cobbett stated that, with the agreement of the Commission, as the Commission was familiar with the public service programs, and were happy with their operation, it would not be necessary to continue with program descriptions. All agreed, and Vice Chair Cobbett made a motion to approve the staff recommendation for funding for the four public service programs. Motion was seconded by Commission Member Manning.

***Motion approved for Public Service Section of New Business 2 as follows:***

<b>AYES:</b>	<b>Casasola, Cobbett, Jett, Manning, Melendrez</b>
<b>NOES:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>
<b>ABSENT:</b>	<b>Cook, Fonseca</b>

**Presentations and Recommendation—Non-Public Service Programs**

Alice Slaughter, President of Covina Woman's Club (Club), made a presentation on the ADA status of the Club, and reviewed the details of a 2013 law suit settlement wherein the Club agreed to certain modifications within ten years. She explained that income from rentals provides funds for the upkeep and operation of the facility, while funds raised at fundraising events are used for philanthropic purposes. The Club requested \$88,000 to fund a ramp for the front door, landscape and sprinklers, parking lot restriping and resurfacing, and replacement of front doors. Discussion ensued on the City staff recommendation to fund up to \$20,000 of the ADA work, specifically the ramp and the entrance doors. Nuala Gasser stated that the City does not require ADA changes to buildings unless renovations are being conducted. The dollar amount of the renovation would guide the amount of ADA renovations required by law. The Club project would qualify for CDBG funding under Rehabilitation; the work would be limited to removing the barriers to access. Landscaping and parking lot renovation would not be an allowed use of funds under ADA project qualification. All work under the CDBG program

would be subject to Davis Bacon and prevailing wage laws, which generally raise the cost of rehabilitation by thirty percent.

The Community Development Director left the meeting to attend the Planning Commission meeting which started at 7 pm in the Council Chambers.

Nuala Gasser made a short presentation on the Rapid Rehousing Program, the Residential Rehabilitation Program, the Covina ADA Transition Program, the Adult Workforce Job Readiness Program, and the Economic Development Incubator Program.

After discussion, Commission Member Manning made a motion to approve the staff recommendation for funding for the non-public service programs, with the following conditions:

1. If the Los Angeles County Community Development Commission does not go forward with their Rapid Rehousing program, the \$15,000 for that program will be reallocated to the Covina ADA Transition Plan; and
2. If the Covina Woman's Club is chosen by the City Council to be the site for the next senior center, the \$20,000 for that program will be reallocated to the Covina ADA Transition Plan.

Motion was seconded by Commission Member Casasola.

***Motion approved for Non-Public Service Section of New Business 2 as follows:***

**AYES:** Casasola, Cobbett, Jett, Manning, Melendrez  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Cook, Fonseca

See the Recommended Funding Table, Attachment 1.

**ANNOUNCEMENTS/ADJOURNMENT**

The next special meeting will be Wednesday, January 25, 2017, at 6 p.m.

There being no further business, the meeting adjourned at 8:10 pm.

Respectfully Submitted,

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Nuala Gasser  
 Sr. Housing & CDBG Economic  
 Development Manager

Approved and adopted this 25th day of January, 2017.

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Rich Jett, Chairperson

# ATTACHMENT 1

## CITY OF COVINA CDBG PROGRAM APPLICATIONS 2017-2018

43rd Year

**For Planning Purposes 2017-18:**

**Funding Available**

Estimated New Year Funds Available (17-18)	\$312,778
Carry-over funding	\$42,697
Public Services (15%) June 2, 2016	\$46,916.70
Total amount 16-17	\$355,475
Non Public Service Funds Available for Programming	\$308,559

Program Name	Current Fiscal Year 16-17 Active Projects	Fiscal Year 17-18 Request	Finance Advisory Commission Recommendation	Staff Recommendation
<b><u>PUBLIC SERVICE PROGRAMS</u></b>				
1 Second Start Literacy	\$19,478.00	\$19,478.00	\$16,916.00	\$16,916.00
2 Senior Info & Referral	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
3 Senior Nutrition (YWCA)	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
4 Sr. Case Mgmt (YWCA)	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
<b>Subtotal Public Service</b>	<b>\$49,478.00</b>	<b>\$49,478.00</b>	<b>\$46,916.00</b>	<b>\$46,916.00</b>
<b><u>Other Programs</u></b>				
5 Rapid Rehousing & Homeless Services		\$15,000.00	\$15,000.00	\$15,000.00
6 Covina Woman's Club ADA Required Upgrades (Note City recommendation funds ramp and front door)		\$88,000.00	\$20,000.00	\$20,000.00
7 Residential Rehabilitation	\$109,505.00	\$120,000.00	\$100,000.00	\$100,000.00
8 Covina ADA Transition Plan		\$113,559.00	\$100,000.00	\$100,000.00
9 Adult Workforce Job Readiness Program		\$75,000.00	\$48,559.00	\$48,559.00
10 Economic Development Incubator		\$75,000.00	\$25,000.00	\$25,000.00
<b>Subtotal Other Programs</b>		<b>\$486,559.00</b>	<b>\$308,559.00</b>	<b>\$308,559.00</b>
<b>Total Funding Requested</b>		<b>\$536,037.00</b>	<b>\$355,475.00</b>	<b>\$355,475.00</b>

**ATTACHMENT 1**

**RESOLUTION NO. CC 17-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, AUTHORIZING THE ALLOCATION OF THE FORTY-THIRD YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2017-2018**

**WHEREAS**, the Community Development Block Grant (CDBG) Program has operated since 1974 to provide local governments with the resources necessary to meet the needs of persons of low-and moderate-income; and

**WHEREAS**, the City of Covina contracts with the Los Angeles County Community Development Commission for the disbursement of Community Development Block Grant Funds, through the Urban County Program; and

**WHEREAS**, the City of Covina will receive an estimated total of \$312,778 in Fiscal Year 2017-2018 in CDBG Funds and \$42,697 in previous year unallocated funds, for a total of \$355,475; and

**WHEREAS**, the City Council has conducted a public hearing, with the required prior notice, to provide the public with an opportunity to comment on the programs proposed for the Fiscal Year 2017-2018 CDBG funds program.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council approves the CDBG program budget for Fiscal Year 2017-2018 and instructs staff to submit the necessary documentation and a copy of this Declaration to the Los Angeles County Community Development Commission.

**SECTION 2.** The City Council authorizes City staff to adjust the program budget as necessary throughout the Fiscal Year, based on the final allocation, with a maximum of 15 percent of funding allocated for public service programs. This includes, but is not limited to, allocating amounts on a per project basis, adjusting project budgets, implementing a new project or cancelling existing activities, to allow for the timely expenditure of CDBG funds.

**SECTION 3.** The City Manager or his designee is authorized to execute documents related to the Fiscal Year 2017-2018 CDBG program.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

**APPROVED and PASSED** this 17th day of January, 2017.

City of Covina, California

BY: \_\_\_\_\_  
KEVIN STAPLETON, Mayor

ATTEST:

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
CANDICE K. LEE, City Attorney

**CERTIFICATION**

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution No. CC 17-08 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 17th day of January, 2017, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

Dated: January 17, 2017

\_\_\_\_\_  
SHARON F. CLARK, Chief Deputy City Clerk



# CITY OF COVINA

# AGENDA REPORT

ITEM NO. CB 1

---

**MEETING DATE:** January 17, 2017

**TITLE:** Covina Senior and Community Center – Funding Options and Project Schedule

**PRESENTED BY:** Siobhan Foster, Director of Public Works

**RECOMMENDATION:**

- 1) Authorize the City Manager to prepare a Section 108 Loan Program application to the Community Development Commission of Los Angeles in the amount of approximately \$2.5 million for approval by the City Council;
- 2) Direct the City Manager to explore the feasibility of an interfund loan from one or more City funds to the General Fund to fund the balance of the project cost, subject to approval of borrowing agreement by the City Council;
- 3) Authorize the City Manager to execute, on the City Council's behalf, a Professional Services Agreement with Gonzalez Goodale Architects for Design Services for the Covina Senior and Community Center Project, in an amount not-to-exceed \$715,970 for the scope of services, work plan, and schedule contained in Attachment A to the report, including provisions required for compliancy with federal law and Community Development Block Grant requirements, subject to the City Attorney's review and approval as to form; and
- 4) Authorize the City Manager to issue a Request for Proposals for park planning services to master plan the Kelby Park site in preparation for placement and integration of the Covina Senior and Community Center onto the Kelby Park site.

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**BACKGROUND:**

Since September 2015, the City Council, City Manager, multi-departmental staff team, community members, and Gonzalez Goodale Architects (GGA) have been working on the development of the new Covina Senior and Community Center. Numerous actions facilitating the development of the new facility have been taken to date, as outlined in the Project Chronology contained in Attachment A to this report.

On December 20, 2016, the City Council received and filed the Covina Woman's Club Physical Assessment for Adaptation to Covina Senior and Community Center Report, prepared by GGA. The City Council also directed staff to proceed with Kelby Park as the final site for the placement of the Covina Senior and Community Center and present funding options and next steps to the City Council at the January 17, 2017 City Council meeting.

**DISCUSSION:**

Following site selection by the City Council on December 20, 2016, the multi-departmental staff team has been exploring and finalizing project funding options and next steps to moving this critical community project forward as expeditiously as possible.

Since the cost of the Covina Senior and Community Center cannot be determined until the completion of site-specific research, detailed programming, and design, it is imperative to focus on design activities and supporting site analyses, including the preparation of a boundary and topographic survey and completion of geotechnical engineering and soils testing. Funding for these efforts is available from a variety of sources.

On January 19, 2016, the City Council adopted Resolution No. 16-7454, appropriating \$500,000 in available Special General Fund - Rule 20A Swap balance for the Initial Phase of the Covina Senior and Community Center Project, topographic survey and soils geologic analysis, and seed money for subsequent phases of the project, including the completion of the Joslyn Center Lead Paint, Mold, and Asbestos Investigation by Stearns, Conrad and Schmidt, Consulting Engineers Inc. (SCS Engineers), as approved by the Interim City Manager on October 19, 2016, and possible partial funding for the demolition of the closed Joslyn Senior Center that will be advertised for bid later this winter. To date, \$21,506 of the initial appropriation of \$500,000 has been expended, leaving approximately \$478,494 available for these items.

Additionally, on January 19, 2016, the City Council adopted Resolution No. 16-7452, authorizing the allocation of the Forty-Second Year Community Development Block Grant (CDBG) funds for FY 2016-17. This action includes \$416,188 in funding for the Covina Senior and Community Center Project - Phase II. Funds will be released by Los Angeles County Community Development Commission (LACDC) once the design phase is complete.

Subsequently, on February 19, 2016, the City Council adopted Resolution No. 16-7463, authorizing the termination of the Forty-First Year CDBG Project 600525-15, Economic Development, and approving the new Senior Center construction project (Phase I). This action appropriated \$202,309 in funding for the design phase of the project, effective through June 30, 2017; bringing the total allocation of CDBG funds to date for the project to \$618,497.

On October 4, 2016, the City Council adopted Resolution No. 16-7533, authorizing the City's application for \$1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project. On October 18, 2016, the Los Angeles County Board of Supervisors approved the \$1.9 million grant request, allocating funding from the Los Angeles County Proposition A, Safe Neighborhood Parks, Gang Prevention, Tree-Planting, Senior and Youth and Recreation, Beaches and Wildlife Protection (1992 Proposition) and Los Angeles County Proposition A, Safe Neighborhood Parks Act (1996 Proposition). The grant includes \$100,000 in funding for project design services.

**Funding Options**

The estimated cost of the Covina Senior and Community Center cannot be determined until the completion of site-specific research, detailed programming, and design. The preliminary range for construction costs for the new facility, based on current industry costs, is a range of \$350 to \$450/square foot (SF). This includes construction contingency and excludes project costs typically equivalent to 25 to 30% of the construction cost for design, testing, fees, etc., a site

budget, which may be required for parking, landscaping, storm drainage, hardscape and other improvements, and furnishing, fixtures, and equipment (FFE) necessary to operate the facility.

With the availability of \$2.5 million in CDBG and grant funds, the multi-departmental staff team has evaluated several funding alternatives, as outlined in detail in Attachment B to this report, including:

- Certificates of Participation (COPs);
- City of Covina interfund loan;
- Countywide Section 108 Loan Program (LACDC);
- General Obligation (GO) Bonds;
- Infrastructure State Revolving Fund (ISRF) Loan Program (IBank);
- Loans from private investors;
- Private placement bank loans; and
- Donations from community and community-based organizations.

After reviewing the attributes of the various funding options, such as amount of money available, payback period, interest rates, annual debt service and collateral requirements, and General Fund impact, the multi-departmental staff team is recommending that the remainder of the funding necessary to complete the project come through the Countywide Section 108 Loan Program (LACDC) and an interfund loan from one or more City funds to the General Fund. One possible source that is being reviewed is the Water Utility Admin Fund.

The Countywide Section 108 Loan Program is a \$30 million pre-approved pool of loan guarantee authority available to participating cities in the Los Angeles Urban County CDBG Program. The Countywide Section 108 Loan Program was established through an application to the U.S. Department of Housing and Urban Development (HUD) that allows the LACDC to process loans more quickly than applying directly to HUD for individual project funding. The maximum repayment period is 20 years.

Cities can use Section 108 financing for any eligible community and economic development activity. Such activities include the development of infrastructure and public facilities, job creation activities, as well as relocation and environmental remediation assistance. So far, the CDC has funded the following types of projects: rehabilitation of community centers, aquatics center construction, street and landscape improvements, senior facility construction, site acquisition for commercial development, and the expansion of industrial business parks.

Borrowers must complete a loan application and submit it to the LACDC with the following required material:

1. Published public notice;
2. A public hearing; and
3. Approval by the governing body (e.g., city council) to submit the application.

Borrowers must also identify the primary source of repayment and collateral for the loan, in accordance with underwriting guidelines, as well as sign a binding loan agreement following formal adoption by the borrower's governing body, the Los Angeles County Board of Supervisors, and HUD. HUD regulations require full collateralization of the loan (typically land, but not park land) and this must be approved by CDC's Credit Committee.

As part of the approval process, the CDC must also publish a 30-day public notice discussing the proposed project, and hold a public hearing prior to loan approval by the Board of Supervisors. Section 108 loans are subject to all applicable federal regulatory requirements.

Borrowers using CDBG funds as the primary source of repayment must sign an amended Reimbursable Contract to set-aside and allow the LACDC to drawdown the city's CDBG funds for the LACDC's repayment requirements to the Fiscal Agent.

The City would repay the loan using CDBG funds. Given the City's annual CDBG allocation is approximately \$300,000, and under the terms and conditions of the Program, the City would be required to continue funding \$50,000 in public service activities, such as literacy and senior programs, and may elect to fund new initiatives such as the business incubator program, the City would have approximately \$250,000 available annually to service the loan. Based on a 20-year payback term at a 5.5% to 6.5% interest rate, the City should be eligible for a loan amount of approximately \$2.4 to \$2.7 million. The Community Development Department anticipated that the application and funding authorization time period would be approximately six to nine months.

The Section 108 Loan is an advantageous funding option for two reasons. First, the City Council, by its funding actions on January 19, 2016, and February 19, 2016, has already made CDBG funding for the project a priority. Secondly, being able to use a portion of the City's annual CDBG allocation to service the loan eliminates General Fund impact and better allows the City to incur General Fund costs with respect to financing the remainder of the project.

Other financing options that rely on a General Fund payback include COPs GO Bonds, ISRF Loan Program, and a City of Covina interfund loan. An interfund loan from one or more City funds to the General Fund was determined to be the most flexible and cost-effective option for the City to pursue. One possible source of funds may be the Water Utility Admin Fund, which as of June 30, 2016, had an available fund balance of \$19.5 million with sufficient anticipated revenue to cover projected expenditures in the current fiscal year. The City is continuing to review various City funds as possible sources for the interfund loan.

An interfund loan allows the City to determine the amount, timing, and repayment schedule for the loan with the loan terms and conditions clearly demonstrated at the time of the borrowing. Additionally, the interest rate charged on an interfund loan is equivalent to the Local Agency Investment Fund (LAIF) rate, which was 0.60% in September 2016. This is significantly less than the market interest rate and rates that would be incurred through COPs or GO Bond issuances and IBank or private loans.

#### Project Design

Two additional steps are proposed to move the Covina Senior and Community Center Project ahead as swiftly as possible. The first is to retain GGA to design the Covina Senior and Community Center Project. On January 19, 2016, following a comprehensive RFP process, the City Council authorized the City Manager to execute a Professional Services Agreement with GGA to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project in an amount not-to-exceed \$100,000. Consulting services for the initial phase of the Project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines.

In April 2016, the City Manager temporarily placed the agreement with GGA on hold, pending site selection by the City Council. At that time, GGA had completed approximately 20% of the Scope of Services. Key remaining services include site evaluation and recommendation, conceptual designs, cost estimates, and timelines.

On October 4, 2016, the City Council approved and authorized the Interim City Manager to execute on the City Council's behalf, in substantial form, the First Amendment to the Agreement between the City of Covina and GGA to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman's Club, (3) increase the total compensation by \$20,000 to a not-to-exceed amount of \$120,000, and (4) include provisions required for compliancy with federal law and Community Development Block Grant (CDBG) requirements, subject to the City Attorney's review and approval as to form.

Following the City Council's selection of Kelby Park as the site of the Covina Senior and Community Center on December 20, 2016, GGA was prepared to recommence work on the initial phase of the Project. Subsequently, however, and in the spirit of moving the project forward as expeditiously as possible, the Interim City Manager requested that GGA provide a complete design service proposal for a design-bid-build process that could become the basis of a Professional Services Agreement for Covina Senior and Community Center Design Services, should the City Council authorize this direction.

On January 9, 2017, GGA submitted the attached Kelby Park Community & Senior Center Design Services Proposal totaling \$715,970. The proposal includes the following services and timeline:

Task	Duration	Start	Finish
1 Project initiation and planning	25 days	Feb. 1, 2017	Mar. 7, 2017
2 Schematic Design	37 days	Mar. 8, 2017	Apr. 27, 2017
3 Design Development	50 days	Apr. 28, 2017	Jul. 6, 2017
4 Construction Documents	111 days	Jul. 6, 2017	Dec. 8, 2017
5 Bidding	70 days	Dec. 8, 2017	Mar. 16, 2018
6 Construction Admin. & Project Closeout	365 days	Mar. 16, 2018	Mar. 16, 2019

It should be noted that Task 4 – Construction Documents includes two months for City plan check services and the projected construction timeframe is 12-months with an estimated project completion in late-March 2019. The City and architect will work to condense the project schedule, wherever and whenever possible.

The advantage of moving forward with GGA's design proposal for the design-bid-build project delivery model at this juncture is that the City has sufficient funding for the design phase of the project. The City would lose valuable time if it waits to assemble full project funding necessary to undertake a design-build process. A change in project delivery approach could be considered at a later date, if desired, without adversely impacting the project design schedule.

#### Site Master Plan

The second recommended step is to issue a RFP for park planning services to master plan the Kelby Park site in preparation for integration of the Covina Senior and Community Center onto the Kelby Park site and removal of the Joslyn Senior Center from the site. A master planning

process would develop a comprehensive vision for Kelby Park in context with its location, natural resources, the Covina Senior and Community Center, and visions of the community.

To achieve favorable pricing and economies of scale, the City proposes to bundle the Kelby Park planning process with the approved FY 2017 Capital Improvement Project (CIP) to initiate a community engagement process and conceptually plan the new Banna Park.

**FISCAL IMPACT:**

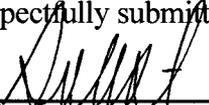
The fiscal impact associated with the proposed Professional Services Agreement for Covina Senior and Community Center Design Services between the City of Covina and Gonzalez Goodale Architects is \$715,970. Sufficient funding for the design is available in the Covina Senior and Community Center project budget (account nos. 4600-3400-55100-P-1601 and 2100-4950-SC15-P1601.) This includes \$478,494 in General Fund monies and \$618,497 in CDBG funds. Additionally, \$100,000 in design services is an eligible expense of the \$1.9 million in Los Angeles County Grant Funds awarded to the City on October 18, 2016.

The fiscal impact of the Kelby Park master plan will be determined at the conclusion of the RFP process, at which time the City Council will be asked to consider a contract for professional park planning services.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The Design Services Proposal for the Covina Senior and Community Center Project consists of the provision of professional services (planning, programing, architectural and engineering services) and will not result in any significant effect on the environment. The development of a project funding plan also will not result in any significant effect on the environment.

Respectfully submitted,



Siobhan Foster

Director of Public Works

**ATTACHMENTS:**

Attachment A: Covina Senior and Community Center Project Chronology

Attachment B: Covina Senior and Community Center Funding Options

Attachment C: Kelby Park Community & Senior Center Design Services Proposal, January 9, 2017

**Project Chronology  
Covina Senior and Community Center**

<b>Date</b>	<b>Action</b>
September 15, 2015 City Council Meeting	City Council received and filed the Joslyn Center update, authorized the City Manager to issue a Request for Proposal (RFP) to provide community and internal outreach to ascertain facility-user needs and Department of Parks and Recreation programming needs, in addition to obtaining City Council input in the design process for the Covina Senior and Community Center Project, and directed the Departments of Parks and Recreation and Human Resources to identify temporary locations to accommodate Joslyn Center programming requirements and initiate negotiations with property owners.
November 10, 2015 Administrative Action	The Department of Public Works issued the RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project to 18 firms with significant expertise in the design of municipal senior centers and recreational facilities and proven track records with both design-build and design-bid-build project delivery models. Consulting services for the initial phase of the Project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines. The RFP was also posted on the City's website. By 4:00 p.m. on December 3, 2015, the City of Covina City Clerk's Office had received responses from seven firms.
December 15, 2015 City Council Study Session	The Department of Parks & Recreation reviewed and discussed options for the relocation of senior programming from the Joslyn Center to another facility, including the Valleydale Park Community Center and a possible co-sponsorship agreement with Los Angeles County for Valleydale Community Center.
January 19, 2016 City Council Meeting	The City Council, in a separate action, adopted Resolution No. 16-7452, authorizing the allocation of the Forty Second Year Community Development Block Grant (CDBG) funds for FY 2016-2017. This action includes \$416,188 in funding for the Covina Senior and Community Center Project - Phase II. Funds will be released by Los Angeles County Community Development Commission once the design phase is complete.



Date	Action
January 19, 2016 City Council Meeting	The City Council authorized the City Manager to execute a Professional Services Agreement with Gonzalez Goodale Architects (GGA) to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project in an amount not-to-exceed \$100,000; adopted Resolution No. 16-7454 appropriating \$500,000 in available Special General Fund - Rule 20A Swap balance for the Initial Phase of the Covina Senior and Community Center Project, topographic survey and soils geologic analysis, and seed money for subsequent phases of the project; and directed City staff to pursue placement of the Covina Senior and Community Center in Covina Park.
February 6, 2016 Administrative Action	The Department of Public Works issued RFPs to members of the City of Covina's On-Call Engineering Services Bench for 1) the Covina Community and Senior Center Geotechnical Soils Investigation at Covina Park and 2) Covina Community and Senior Center Boundary and Topographic Survey at Covina Park. Following the review of the proposals received in the City of Covina City Clerk's Office by 4:00 p.m. on February 18, 2016, David T. Hamilton & Associates, Inc. was identified as the top rated proposer for the Soils Investigation and Civiltec Engineering, Inc. for the Boundary and Topographic Survey. Neither Agreement was executed due to the subsequent change in site location.
February 16, 2016 City Council Study Session	Representatives from GGA updated the City Council on the initial Client Team Meeting held with City staff on January 26, 2016 and reviewed a working draft of the Community Participation Workshop #1 presentation, scheduled for February 22, 2016, from 9:00 a.m. to 11:00 a.m. at the Joslyn Center. During the Study Session, Gonzalez Goodale Architects also reviewed and received feedback from the City Council on the following: <ol style="list-style-type: none"> <li data-bbox="1087 1077 1111 1539">1. Draft Project Guiding Principles;</li> <li data-bbox="1125 1167 1149 1539">2. The facility program; and</li> <li data-bbox="1163 1010 1187 1539">3. Initial site utilization/location studies.</li> </ol>
February 16, 2016 City Council Meeting	The City Council adopted Resolution No. 16-7463, authorizing the termination of the Forty-First Year CDBG Project 600525-15, Economic Development and approved the new Covina Senior and Community Center construction project (Phase I). This action approved \$202,309 in funding for the design phase of the project, effective through June 30, 2017.



Date	Action
February 22, 2016 Community Workshop #1	The City and GGA hosted Community Workshop #1. Approximately 100 persons attended the workshop. Following the presentation of the items listed above, attendees offered numerous comments, largely focused on the concern of the possible placement of the new facility in Covina Park.
February 23, 2016 Joslyn Center User Meeting	Amy Hall-McGrade, Parks & Recreation Director and department staff engaged users of the Joslyn Center to gain a thorough understanding of their needs and expectations for the Covina Senior and Community Center. Joslyn Center users expressed the desire for windows, fresh air, and access to outside spaces, wide hallways, large restrooms, a design that fosters intergenerational exposure, and possible space for weight equipment and billiards, among other items.
March 1, 2016 City Council Study Session	<p>City staff and GGA representatives presented an update on the following:</p> <ol style="list-style-type: none"> <li>1. Community engagement efforts;</li> <li>2. Concept of increasing open space in Covina Park, should the facility be placed there, by eliminating/consolidating obsolete uses and moving softball activities to a refurbished Kelby Park;</li> <li>3. How the City plans to address current parking deficiency and provide sufficient parking to support the new facility, if placed in Covina Park; and</li> <li>4. Comparative architectural vernaculars consistent with Adams Park neighborhood that could be reflected in the new facility, should it be placed in Covina Park.</li> </ol> <p>Extensive public comment was received at the March 1, 2016 City Council Study Session. The majority of the input expressed dissatisfaction with the possible placement of the Covina Senior and Community Center in Covina Park and suggested possible alternative sites, including the Covina Woman's Club and other parcels. Public comments of a similar nature were made at the March 1, 2016 City Council Meeting.</p>

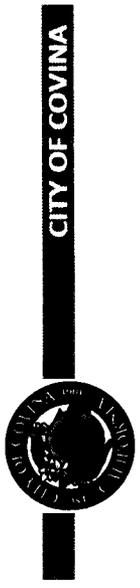


Date	Action
April 5, 2016 City Council Meeting	<p>The City Council received an update on the eight site location alternatives for the Covina Senior and Community Center listed above, each evaluated based on the criteria listed above. Following public input and discussion, the City Council unanimously moved to exclude four site locations from ongoing Covina Senior and Community Center project consideration:</p> <ol style="list-style-type: none"> <li>1. Badillo Street/Downtown;</li> <li>2. Brunswick Bowling Alley;</li> <li>3. Covina Park; and</li> <li>4. K-Mart.</li> </ol> <p>The City Council also directed staff to explore and exhaust all options, with both public and private property owners in Successor Agency Project Area One. This specific project area includes approximately \$4.8 million funding opportunity in the Successor Agency. The City Manager temporarily placed the agreement with GGA on hold, pending site selection by the City Council. At that time, GGA had completed approximately 20% of the Scope of Services. Key remaining services include site evaluation and recommendation, conceptual designs, cost estimates, and timelines.</p>
April 11, 2016 Community Workshop #3	<p>City staff presented an update and received public comment on the four current site location alternatives, facility requirements, and the draft space plan.</p>
August 18, 2016 Administrative Action	<p>The City issued an RFP for preparation of the Joslyn Center Lead Paint, Mold, and Asbestos Investigation. The City issued the RFP to four firms with expertise in the completion of comprehensive building investigations to determine the presence, location, and quantity of lead paint, mold, and asbestos. The RFP was also posted on the City's website. By 4:00 p.m. on September 15, 2016, the City of Covina City Clerk's Office had received responses from two firms.</p>

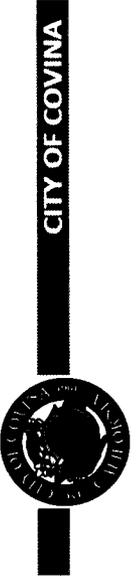
Date	Action
September 7, 2016 September 14, 2016 Administrative Action	<p data-bbox="294 168 484 1589">Interim City Manager submitted \$1.9 million in funding requests to Los Angeles County for the Covina Senior and Community Center project, at the request of Michael D. Antonovich, Los Angeles County Board of Supervisors, Fifth District. The letter requests \$1.0 million in new funding plus the reallocation of two previously approved grants in the amount of \$900,000, bringing the City of Covina's total funding request to \$1.9 million.</p> <p data-bbox="530 168 761 1589">Given the limited time available to formally submit the funding request to the Board of Supervisors for final approval prior to the departure of Supervisor Antonovich in November, the Interim City Manager identified Kelby Park as the site location for the Covina Senior and Community Center. The County indicated that a specific site had to be included in the City's funding request. Since the City owns and controls the Kelby Park site, City staff determined the best alternative was to identify Kelby Park as the location for the new center in the City's application.</p>
September 20, 2016 City Council Study Session	<p data-bbox="807 168 877 1589">City staff presented a comprehensive assessment of four recommended site alternatives, including (in alphabetical order):</p> <ol data-bbox="888 934 1034 1541" style="list-style-type: none"> <li data-bbox="888 1335 916 1541">1. Covina iTec;</li> <li data-bbox="926 1201 954 1541">2. Covina Woman's Club;</li> <li data-bbox="964 934 992 1541">3. Inter-Community Hospital partnership; and</li> <li data-bbox="1002 1352 1030 1541">4. Kelby Park.</li> </ol>
	<p data-bbox="1080 168 1272 1589">City staff also outlined potential deal points associated with a partnership with the Covina Woman's Club and provided updates on the agreement with GGA, available project funding, and financing options. Following the presentation, the City Council and members of the public provided input on the site location alternatives presented by City staff. All parties emphasized the imperativeness of moving this critical project ahead as expeditiously as possible.</p>



Date	Action
October 4, 2016 City Council Meeting	<p>The City Council directed City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman's Club and adopted Resolution No. 16-7533 authorizing the application for \$1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project.</p> <p>The City Council also approved and authorized the Interim City Manager to execute on the City Council's behalf, in substantial form, the First Amendment to the Agreement between the City of Covina and GGA to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman's Club, (3) increase the total compensation by \$20,000 to a not-to-exceed amount of \$120,000, and (4) include provisions required for compliancy with federal law and CDBG requirements, subject to the City Attorney's review and approval as to form.</p>
October 18, 2016 Administrative Action	<p>Los Angeles County Board of Supervisors approved a \$1.9 million grant for the Covina Senior and Community Center proposed to be constructed in Kelby Park, including \$1.0 million in new funding through the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding, plus \$900,000 in dollars that were available to Kelby Park through the Fifth Supervisorial District pursuant to the Los Angeles County Safe Neighborhood Parks Proposition of 1996.</p>
October 19, 2016 Administrative Action	<p>Interim City Manager authorized Agreement with Stearns, Conrad and Schmidt, Consulting Engineers Inc. (SCS Engineers) for Preparation of Joslyn Center Lead Paint, Mold, and Asbestos Investigation. Once the results of the lead paint, mold, and asbestos investigation are available, the City will prepare and advertise the Joslyn Center Demolition Project for bid.</p>
December 2, 2016	<p>SCS Engineers completed building survey at Joslyn Center, consisting of lead paint, mold, and asbestos investigations. Draft report expected the week of December 19, 2016.</p>

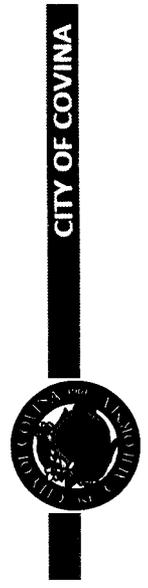


Date	Action
December 20, 2016 City Council Meeting	The City Council received and filed the Covina Woman’s Club Physical Assessment for Adaptation to Covina Senior and Community Center Report, prepared by GGA and directed staff to proceed with Kelby Park as the final site for the placement of the Covina Senior and Community Center.
	The City Council also directed staff to present funding options and next steps to the City Council at the January 17, 2017 City Council meeting.
December 24, 2016	SCS Engineers submitted Lead Paint, Mold, and Asbestos Investigation Report to City, providing the necessary information for the City to develop specifications for the demolition of the Joslyn Center and advertise the project for bid.



**Funding Options  
Covina Senior and Community Center**

Item	Description and Analysis
Certificates of Participation (COPs)	<p><b>Description:</b> An instrument evidencing a pro rata share in a specific pledged revenue stream, usually lease payments by the issuer that are typically subject to annual appropriation. The certificate generally entitles the holder to receive a share, or participation, in the payments from a particular project.</p> <p><b>Debt Service:</b> Estimated annual debt service payment on a \$5 million COPs issuance is approximately \$280,000/year over a 30-year term.</p> <p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>- Does not require voter approval</li> <li>- Not considered debt and does not count against City's debt limit</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>- Payback would be a General Fund obligation</li> <li>- Requires revenue stream to borrow against</li> </ul>
City of Covina Interfund Loan	<p><b>Description:</b> An interfund loan is a financial transaction occurring between two funds within the City organization. Interfund borrowings will be evidenced by a formal borrowing agreement that must be signed by the City Manager with the source of repayment and payment schedule for the borrowing clearly demonstrated at the time of the borrowing.</p> <p><b>Debt Service:</b> Annual debt service payment would be determined by the loan amount, payback duration, and the Local Agency Investment Fund (LAIF) rate (which was 0.60% in September 2016).</p> <p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>- City determines repayment schedule</li> <li>- Low interest loan, as LAIF rate is lower interest rates charges in other financing arrangements</li> <li>- Water Utility Admin Fund, which had an available fund balance of \$19.5 million as of 6/30/16, is one possible source for a loan; other funds also being investigated</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>- Payback would be a General Fund obligation</li> </ul>



**Item** **Description and Analysis**

**Countywide Section 108 Loan Program (LACDC)**

**Description:** Countywide Section 108 Loan Program is a \$30 million pre-approved pool of loan guarantee authority available to participating cities in Los Angeles Urban County CDBG Program. Countywide Section 108 Loan Program was established through an application to HUD that allows the CDC to process loans more quickly than applying directly to HUD for individual project funding. Cities can use Section 108 financing for any eligible community and economic development activity, including the development of infrastructure and public facilities.

**Debt Service:** Estimated annual debt service payment on a \$2.65 million Section 108 Loan at 5.5% interest or a \$2.46 million loan at 6.5% is approximately \$250,000/year over a 20-year term.

- Pros:**
- Loan may be paid back using the City's annual CDBG allocation, instead of the General Fund
  - Given City receives CDBG allocation of approximately \$300,000 annually and must continue to fund \$50,000 in public service activities (literacy, senior programs, etc.), the City should be eligible for a loan amount of approximately \$2.4 to \$2.7 million
- Cons:**
- Maximum loan repayment period is 20 years
  - Requires property as collateral

**General Obligation (GO) Bonds**

**Description:** General obligation bonds are debt instruments issued local governments to raise funds for building capital facilities. GO bonds are repaid with interest, using revenues from taxes or sometimes from fees and charges. The estimated annual debt service payment on a \$5 million GO Bond issuance is \$280,000/year over a 30-year term.

- Debt Service:**
- Estimated annual debt service payment on a \$5 million GO Bond issuance is approximately \$280,000/year over a 30-year term.
- Cons:**
- Local GO bonds must be approved at an election by 2/3 of the voters
  - Payback would be a General Fund obligation



**Item** **Description and Analysis**

**Infrastructure State Revolving Fund (ISRF) Loan Program (IBank)**

**Description:** The ISRF Program provides financing to public agencies for a variety of infrastructure and economic development projects (excluding housing). ISRF Program funding is available in amounts ranging from \$50,000 to \$25 million, with loan terms for the useful life of the project up to a maximum of 30 years

**Debt Service:** The estimated annual debt service payment on a \$5 million IBank Loan is \$280,000/year over a 30-year term.

**Pros:** – Less costly than COPs financing

**Cons:** – Payback would be a General Fund obligation

**Other**

Other options in private placement bank loans, loans from private investors, and donations from community and community-based organizations.



January 9, 2017

Siobhan Foster, Public Works Director  
City of Covina  
125 E. College Street  
Covina, CA 91723-2199

Re: Kelby Park Community & Senior Center Design Services Proposal

Dear Ms. Foster,

Gonzalez Goodale is pleased to submit this proposed scope of work and fee for architectural and engineering services for the new Kelby Park Community & Senior Center in the City of Covina.

The scope of work includes design and engineering for an approximate 19,000 square foot Senior Center, and related site improvements including an exterior courtyard, and landscaping for a total affected site of approximately 90,000 square feet. The scope of work is limited to this footprint, within the bounds of Kelby Park, plus modifications to the existing parking lot. This scope does not include other improvements to the Park nor any off-site street or utility improvements.

ARMANDO L. GONZALEZ F.A.I.A.

DAVID L. GOODALE A.I.A.

The demolition of the existing facility, identification and abatement of hazardous materials, and the design of any interim Senior Center facility, if required, are not included. The scope does include design of turf and trees in the area of the existing facility.

HARRY R. DRAKE A.I.A.

ALI BARAK A.I.A.

We understand the City will provide a geotechnical engineering report and a field survey for selected site. If required, our Civil Engineer will provide a fee proposal for field surveying the project site.

It is also our understanding that the facility will include a warming kitchen to serve meals prepared off-site. If a full service kitchen and Health Department approval is required, we will provide a scope of work and fee proposal for a Kitchen Design Consultant at that time.

Our scope of work includes development of a conceptual furniture, fixture and equipment (FF&E) plan for programming and electrical device layout. The FF&E selection and development of a detailed bid package for FF&E items is not included at this time.

The project, including engineering systems, will be designed to comply with the new Title 24 energy efficiency standards, which is similar to LEED certification/silver level. If desired by the City, our office will prepare a proposal to provide detailed documentation and registration services for LEED certification. Building Commissioning services, normally provided by a third party as directed by the City, are not included in this proposal.

The scope of work includes the following phases, general tasks, and schedule (excluding City review periods at each phase):

1. PROJECT INITIATION AND PLANNING (1 month)
  - Client Team kick-off Meeting; reconfirm Guiding Principles
  - Develop site analysis and building/placement options
  - Two Client Team Meetings
  - Document/finalize Facility Space Program
2. SCHEMATIC DESIGN (1.5 months)
  - Develop 3 site plan, floor plan, rough massing options
  - Develop Probable Opinion of Construction Cost Estimate
  - Five Client Team Meetings including a Community Meeting
  - Initial meetings with Planning, Building and Fire Departments
  - Develop Final Schematic Design plans, elevations, design narrative
3. DESIGN DEVELOPMENT (2 months)
  - Develop plans, elevations, sections, details, building engineering systems
  - Develop Materials, Finish Samples presentation
  - Update Probable Opinion of Construction Cost Estimate
  - Four Client Team Meetings including a Council Meeting if required
4. CONSTRUCTION DOCUMENTS (3 months)
  - Finalize plans, elevations, sections, details, building engineering systems, calculations, specifications, Plan Agency submittal package
  - Coordinate with utility companies for on-site services
  - Update Probable Opinion of Construction Cost Estimate
  - Three Client Team Meetings
- 4a. AGENCY PLAN CHECK AND BACKCHECK (2 months)
  - Respond to Building and Fire Department plan check review comments
5. BIDDING (1.5 months)
  - Prepare drawings and specifications for bidding (City to prepare bid documents/general conditions/construction contract)
  - Respond to any bidder inquiries
  - Printing and distribution of bid documents by City
- 5a. CONTRACT AWARD BY CITY (TBD)
6. CONSTRUCTION ADMINISTRATION AND PROJECT CLOSEOUT (12 months)
  - Attendance at bi-monthly construction meetings
  - Construction administration support for review of submittals, RFI clarifications
  - Review of project for compliance to the construction documents
  - Prepare Record Documents

Siobhan Foster, Public Works Director  
City of Covina

January 9, 2017

Our proposal for the scope of work noted above is \$715,970. This includes our project related expenses for travel, in-house plotting, and printing of milestone deliverables to the City, which is listed in our detail work plan proposal and which will be invoiced proportionally at each phase.

At this time, we propose to include the following consultants in our Design Team:

- KPFF Structural Engineers
- S&K Engineers: Mechanical, Plumbing, Electrical
- Brandow & Johnston Civil Engineers
- Mark Beall + Associates, Landscape Architect

Please contact our office if you have any questions on the proposed scope of work.

Sincerely,

**Gonzalez Goodale Architects**

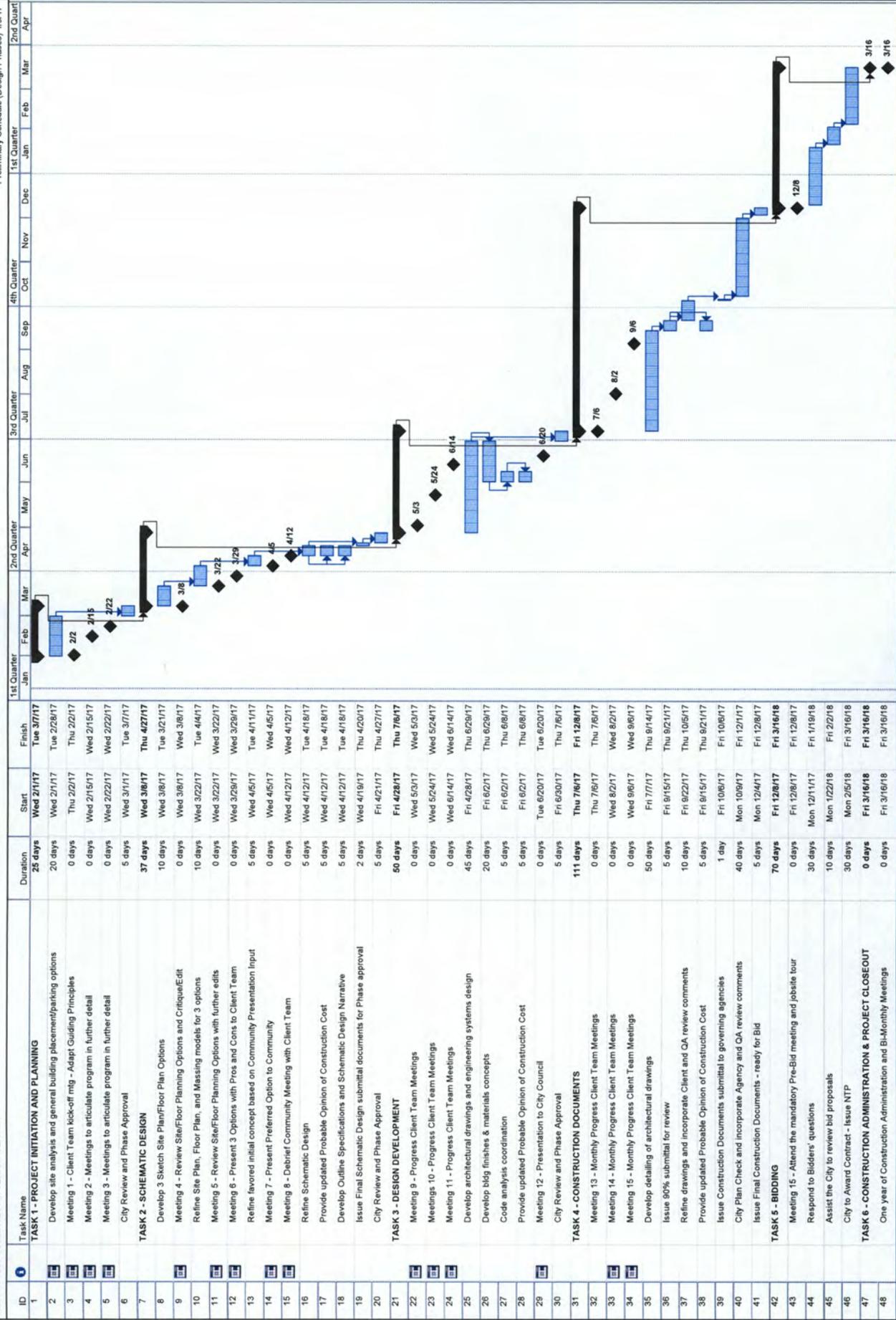


David L. Goodale, AIA  
Principal









Project: 170107 Covina Senior Center

Task Split

Progress Milestone

Summary Project Summary

External Tasks External Milestone

Deadline

Page 1