



UPLAND CITY COUNCIL

AGENDA

June 10, 2019

City Council Chamber

**DEBBIE STONE, MAYOR
JANICE ELLIOTT, MAYOR PRO TEM
RICKY FELIX, COUNCILMEMBER
RUDY ZUNIGA, COUNCILMEMBER
BILL VELTO, COUNCILMEMBER**

**ROSEMARY HOERNING, ACTING CITY MANAGER
JAMES L. MARKMAN, CITY ATTORNEY**

DISRUPTION OF MEETINGS

Individuals who demonstrate disruptive conduct during City Council meetings that prevent the City Council from conducting its meeting in an orderly manner are guilty of a misdemeanor as stated in PC403, disrupting a public meeting, and are subject to removal from the chamber or arrest.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. ADDITIONS-DELETIONS TO AGENDA**
- 3. ORAL COMMUNICATIONS**

This is a time for any citizen to comment on item listed on the closed session agenda only. Anyone wishing to address the legislative body is requested to submit a speaker card to the City Clerk at or prior to speaking. The speakers are requested to keep their comments to no more than three (3) minutes. The use of visual aids will be included in the time limit.

- 4. CLOSED SESSION None**

7:00 PM

5. INVOCATION

Cantor Paul Buch, Temple Beth Israel

6. PLEDGE OF ALLEGIANCE

7. PRESENTATIONS

Upland Police Department K-9 Fundraising Efforts presented by Officer Quinn Hanley and his K-9 partner, Rudy

Water Safety Awareness presentation by Assistant Fire Chief Jeff Birchfield

8. CITY ATTORNEY

9. ORAL COMMUNICATIONS

This is a time for any citizen to comment on any item listed on the agenda only. Anyone wishing to address the legislative body is requested to submit a speaker card to the City Clerk at or prior to speaking. The speakers are requested to keep their comments to no more than three (3) minutes. Speakers will be given five (5) minutes during public hearings. The use of visual aids will be included in the time limit.

10. COUNCIL COMMUNICATIONS

11. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one roll call vote. There will be no separate discussion of these items unless members of the legislative body request specific items be removed from the Consent Calendar for separate action.

A. APPROVAL OF MINUTES

Approve the Special Workshop Minutes of May 23, 2019 and Regular Meeting Minutes of May 28, 2019. (Staff Person: Keri Johnson)

B. ANNUAL ADOPTION OF INVESTMENT POLICY

Adopt a Resolution approving and adopting the Annual Statement of Investment Policy for Fiscal Year 2019-20. (Staff Person: Londa Bock-Helms)

C. TREASURER'S REPORT APRIL 2019

Receive and file the April 2019 Treasurer's Reports. (Staff Person: Londa Bock-Helms)

D. APPOINTMENT TO CITY COUNCIL ADVISORY COMMITTEE

Ratify the appointment of Hydee Hall to the City Council Advisory Committee, term to expire December 2020. (Staff Person: Keri Johnson)

E. APPOINTMENTS AND REAPPOINTMENTS TO CITY BOARDS AND COMMISSIONS

Ratify the Mayor's reappointment of Ralph Cavallo and appointment of Lynn Olson to the Library Board, terms to expire June 2022; reappointment of Linden Brouse and Shelly Verrinder to the Planning Commission, terms to expire June 2023; reappointment of Steve Bierbaum and Mark Bertone to the Personnel Board of Review terms to expire June 2023; and the appointment of Gifty Beets to the Personnel Board of Review as an alternate board member, term to expire in June 2023. (Staff Person: Keri Johnson)

F. BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM GRANT

Accept the Beverage Container Recycling City/County Payment Program Year 2018-19 Grant Award of \$19,310 and appropriate the funding. (Staff Person: Rosemary Hoerning)

G. SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH TKE ENGINEERING, INC.

Authorize an amendment to the professional services agreement with TKE Engineering for an additional amount of \$100,000 per year to provide special engineering services, total amount authorized \$300,000 per year. (Staff Person: Rosemary Hoerning)

H. SEWER RATE ADJUSTMENTS – STATUS UPDATE

Recognize and affirm the Sewer Equivalent Dwelling Unit (EDU) Rate Amount of \$29.69 per EDU per month (City at \$10.10/EDU & IEUA at \$19.59/EDU) for FY 2018-19. It is further recommended City Council approve the Sewer Equivalent Dwelling Unit (EDU) Rate Amount of \$29.69 per EDU per month (City \$9.69/EDU & IEUA \$20.00/EDU) for FY 2019-20. (Staff Person: Rosemary Hoerning)

12. PUBLIC HEARINGS

A. ANNUAL WEED ABATEMENT PROGRAM

The City Council will consider any and all objections or protests to declaring certain weeds, rubbish, refuse, and dirt in the streets and private property within the City to be public nuisances and providing for the abatement of the nuisances. (Staff Person: Sheldon Bloomfield)

Recommendation: 1) Staff Presentation

2) Hold Public Hearing

3) Close Public Hearing

4) Approve the non-compliance list plus the additional fee of \$278.00, per property, pursuant to Resolution No. 6480 approved on January 28, 2019.

13. COUNCIL COMMITTEE REPORTS

A. ECONOMIC DEVELOPMENT COMMITTEE MEETING, JUNE 3, 2019

14. BUSINESS ITEMS

A. POLICE DEPARTMENT INTERIOR PAINTING

Award the Police Department Interior Painting Maintenance Project to Quad County Painting, Inc. in the amount of \$126,315. (Staff Person: Rosemary Hoerning)

B. PROFESSIONAL SERVICES AGREEMENT EXTENSION FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES WITH JONES LANG LASALLE BROKERAGE, INC.

Approve a one-year extension to the Professional Services Agreement with Jones, Lang, Lasalle Brokerage, Inc. and authorize the Acting City Manager to extend the term of the Agreement for coordinating, identifying and facilitating efforts relative to economic development of significant commercial properties within the City's boundaries. (Staff Person: Robert Dalquest)

C. A RESOLUTION AMENDING THE ADOPTED CITY WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR SMALL WIRELESS FACILITIES

Adopt a Resolution amending the City wide policy regarding Permitting Requirements and Development Standards for small wireless facilities adopted under Resolution No. 6489. (Staff Person: Robert Dalquest)

15. ORAL COMMUNICATIONS

This is a time for any citizen to comment on any item not listed on the agenda. Anyone wishing to address the legislative body is requested to submit a speaker card to the City Clerk at or prior to speaking. The speakers are requested to keep their comments to no more than three (3) minutes. The use of visual aids will be included in the time limit. Public comments and questions for the purpose of hearing current matters of concern in our community and to provide citizens a method for the public to hear those concerns in an open venue is encouraged. However, under the provisions of the Brown Act, the City Council is prohibited from discussion of items not listed on the agenda, and therefore, the City Council, City Manager, or City Attorney will take communications under advisement for consideration and appropriate response or discussion at a later time.

16. CITY MANAGER

17. ADJOURNMENT

The next regularly scheduled City Council meeting is Monday, June 24, 2019.

NOTE: If you challenge the public hearing(s) or the related environmental determinations in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Upland, at, or prior to, the public hearing.

All Agenda items and back-up materials are available for public review at the Upland Public Library, downstairs reference desk at 450 North Euclid Avenue, the City Clerk's Office at 460 North Euclid Avenue and the City website at www.ci.upland.ca.us, subject to staff's ability to post the documents before the meeting.

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, 931-4120. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II]

POSTING STATEMENT: On June 5, 2019 a true and correct copy of this agenda was posted on the bulletin boards at 450 N. Euclid Avenue (Upland Public Library) and 460 N. Euclid Avenue (Upland City Hall).

**MINUTES OF A SPECIAL WORKSHOP OF THE
UPLAND CITY COUNCIL
MAY 23, 2019**

OPENING

The special workshop of the Upland City Council was called to order by Mayor Debbie Stone at 4:00 p.m. in the Council Chamber of the Upland City Hall.

1. ROLL CALL

Present: Mayor Debbie Stone, Council Members Janice Elliott, Ricky Felix, Bill Velto, and Rudy Zuniga

Staff: Acting City Manager Rosemary Hoerning and City Clerk Keri Johnson

2. ORAL COMMUNICATIONS

Robert Kamansky, Upland, spoke about "value ended concept" and stated confidence in the Council to approve a balanced budget.

3. FISCAL YEAR 2019-20 BUDGET WORKSHOP

Acting City Manager Hoerning provided a brief budget introduction.

Finance Officer Bock-Helms presented a detailed overview of the fiscal year 2019-20 annual budget along with a PowerPoint presentation which is on file in the City Clerk's office. Department heads and staff then provided an overview of individual department budgets and answered questions posed by the Council.

4. ADJOURNMENT

Mayor Stone adjourned the meeting at 5:26 p.m. The next regular meeting of the City Council is Tuesday, May 28, 2019.

SUBMITTED BY:



Keri Johnson, City Clerk

APPROVED:

June 10, 2019

**MINUTES OF THE REGULAR MEETING OF THE
UPLAND CITY COUNCIL
MAY 28, 2019**

OPENING

The regular meeting of the Upland City Council was called to order by Mayor Debbie Stone at 7:00 p.m. in the Council Chamber of the Upland City Hall.

1. ROLL CALL

Present: Mayor Debbie Stone, Council Members Janice Elliott, Ricky Felix, Bill Velto, and Rudy Zuniga

Staff: Acting City Manager Rosemary Hoerning, Assistant City Attorney Steven Flower, and City Clerk Keri Johnson

2. ADDITIONS/DELETIONS TO AGENDA None

3. ORAL COMMUNICATIONS None

4. CLOSED SESSION None

5. INVOCATION Jim Thomas, Church of Jesus Christ of Latter-Day Saints

6. PLEDGE OF ALLEGIANCE Councilmember Velto

7. PRESENTATIONS None

8. CITY ATTORNEY None

9. ORAL COMMUNICATIONS

Dylan White, asked questions regarding the grant requirements and the odds of the City receiving grant funding; and requested clarification on whether the grant was contingent upon the sale of park land to San Antonio Regional Hospital.

Lois Sicking Dieter, spoke in opposition of the adoption of Ordinance 1933 and requested the Council adopt an ordinance similar to the Mill Valley ordinance.

Brinda Sarathy, Upland, questioned what community groups were involved in the development of the concept plan for Memorial Park and whether the grant application could be submitted without the conceptual plan.

Natasha Walton, stated that she supported the grant, but not the sale of Memorial Park land. She further requested more public input and workshops regarding the conceptual master plan.

Glenn Bozar, spoke in support of Rosemary Hoerning as the Acting City Manager, but stated the Council needed to consider someone with more financial experience for the permanent position of City Manager.

April McCormick, stated opposition to Ordinance 1933 as written and requested the Council adopt an ordinance amending the Zoning Code.

Ralph Cavallo, Upland, spoke in support of the Memorial Park concept master plan and stated park renovations would increase park use.

10. COUNCIL COMMUNICATIONS

Councilmembers announced various activities throughout the community, including providing an update on the meetings they attended.

11. CONSENT CALENDAR

Councilmember Elliott removed Consent Calendar Item 11B for separate action. Motion by Councilmember Felix to approve the remainder of the Consent Calendar, seconded by Councilmember Velto, and carried unanimously.

A. APPROVAL OF MINUTES

Approved the Regular Meeting Minutes of May 13, 2019

C. CONTINUED ITEM - APPROVAL OF AN AGREEMENT WITH ACCOUNTEMPS FOR TEMPORARY ACCOUNTING SERVICES AND UPDATE FINANCE DEPARTMENT STAFFING

Authorized the Acting City Manager to execute an amendment to the current agreement with Accountemps (A Robert Half Company) providing temporary accounting assistance and extend the agreement through June 30, 2020; and it is further recommended the City Council amend the personnel budget to eliminate one accounting clerk position and add a senior accounting technician position for the finance department.

D. DISPOSAL OF SURPLUS EQUIPMENT

Declared the items as surplus, and authorized the Acting City Manager to initiate disposal of the surplus equipment.

ITEMS REMOVED FOR SEPARATE ACTION

B. 2nd READING OF ORDINANCE 1933 REGARDING "SMALL WIRELESS FACILITIES", AMENDING SECTION 5.36.190 OF THE UPLAND MUNICIPAL CODE REGARDING THE SAME

Development Services Director Dalquest presented the staff report, which is on file in the City Clerk's Office. Assistant City Attorney Flower provided a brief report on the legal aspects and the urgent need for the City to act on this item.

Motion by Councilmember Elliott to table this item until the June 10, 2019 City Council meeting.

There was discussion on restrictions in residential zones, the time required to prepare a fee study, and FCC regulations prohibiting a moratorium. Assistant City Attorney Flower answered Council's questions regarding any legal vulnerability to the City if the Ordinance was not adopted.

Councilmember Elliott withdrew her motion to table the item until the June 10, 2019 City Council meeting.

Council requested that staff draft an amended policy regarding small wireless facilities and place it on the June 10, 2019 City Council agenda.

Motion by Councilmember Elliott to hold second reading by number and title only, waive further reading, and adopt Ordinance No. 1933 regarding small wireless facilities, amending Section 5.36.190 of the Upland Municipal Code regarding the same, seconded by Councilmember Zuniga, and carried unanimously.

12. PUBLIC HEARINGS

A. CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL AMENDING THE MASTER FEE SCHEDULE TO ESTABLISH FEES FOR SMALL WIRELESS FACILITIES PERMITS

Development Services Director Dalquest presented the staff report, which is on file in the City Clerk's Office.

Mayor Stone opened the public hearing.

City Clerk Johnson announced that the City Clerk's office had received 58 emails in opposition of this item.

Lois Sicking Dieter, spoke in opposition of the proposed fee schedule and stated the City needed to ensure that the fees covered the cost of providing the service.

April McCormick, spoke in opposition of the proposed fee schedule and stated that there is nothing stopping wireless companies from coming in and pulling permits in residential zones. She further requested the Council adopt an ordinance amending Chapter 17 of the Municipal Code to include small wireless facilities.

Glenn Bozar, referred to a Wall Street Journal article about a company launching a mobile service and requested the Council protect the City by adding language in the Zoning Code to address these issues.

There being no other speakers, Mayor Stone closed the public hearing.

There was discussion regarding the FCC safe harbor rates, the need for a fee study before adjusting the fee schedule, and the application process.

Motion by Councilmember Velto to adopt Resolution No. 6490 amending the Master Fee Schedule to establish fees for small wireless facilities permits; and that staff return to Council in 90 days with a fee analysis, seconded by Councilmember Elliott, and carried unanimously.

13. COUNCIL COMMITTEE REPORTS

A. PUBLIC WORKS COMMITTEE, MAY 14, 2019

Councilmember Velto provided a recap of the meeting and introduced Recreation Services Manager Story.

1) MEMORIAL PARK - PROPOSITION 68 GRANT OPPORTUNITY

Recreation Services Manager Story presented the staff report along with an updated recommendation, which is on file in the City Clerk's Office.

There was discussion on the grant requirements, the timeline for public workshops, the importance of community outreach, and the development of the concept master plan.

Motion by Councilmember Elliott to take the following preliminary actions to enable the City to apply for a Prop 68 grant for the revitalization of Memorial Park: (1) approve a preliminary Memorial Park Master Plan Concept Plan; (2) approve retaining the grant writing services of Avant Garde in the amount of \$13,000; and (3) approve retaining the professional landscape architectural support services of Architerra Design Group in the amount of \$12,000, seconded by Councilmember Felix, and carried unanimously.

14. BUSINESS ITEMS

A. BOOKING SERVICE AGREEMENT

Police Chief Goodman presented the staff report along with a PowerPoint presentation, which is on file in the City Clerk's Office.

There was discussion on the time required to take detainees to West Valley Detention Center for booking, the use of a City vehicle for transport, and liability insurance requirements of the contractor.

Motion by Councilmember Felix to authorize the Acting City Manager to sign a contract with G4S to provide a booking service for the City in the amount up to \$204,000 for FY 19/20, up to \$208,000 for FY 20/21 and up to \$222,000 for FY 21/22, seconded by Councilmember Zuniga, and carried unanimously.

B. POLICE MOBILE APPLICATION

Police Chief Goodman introduced Joe Ramirez of Apex Mobile who provided an overview the mobile application.

There was discussion on the applications features and capabilities, how police department staff will update information on the application, and how other cities utilize the application.

Motion by Councilmember Elliott to authorize the Acting City Manager, or designee, to execute an agreement with Apex Mobile for purchase of a law enforcement based mobile application, seconded by Councilmember Velto, and carried unanimously.

Acting City Manager Hoerning left the Council Chamber at 10:02 p.m.

C. CONSIDERATION OF INCREASING THE COMPENSATION LEVEL FOR THE ACTING CITY MANAGER

Assistant City Attorney Flower presented the staff report, which is on file in the City Clerk's Office.

Motion by Councilmember Elliott to approve a compensation grade of Grade 9094/step 4, which is a compensation of \$16,696 monthly, seconded by Councilmember Felix, and carried unanimously.

Acting City Manager Hoerning returned to the Council Chamber at 10:04 p.m.

D. CONSIDERATION OF THE PROCESS FOR FILLING THE POSITION OF PERMANENT CITY MANAGER

Assistant City Attorney Flower presented the staff report, which is on file in the City Clerk's Office.

Motion by Councilmember Velto to table the item to the June 10, 2019 at a special closed session meeting at 5 p.m., seconded by Mayor Stone, and carried unanimously.

15. ORAL COMMUNICATION (items not on the agenda)

Steve Morris, Upland, questioned how the City vets proposals and stated opposition to the Council's approval of the G4S contract.

Carlos Garcia, Upland, thanked the Police Department for providing a neighborhood watch meeting for his neighborhood and also referred to negative comments from residents and stated that they divide the community.

Glenn Bozar, commented on the proposed Fiscal Year 2019-20 budget and requested the unfunded pension liability be included in the budget.

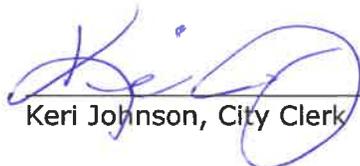
Mike Pattison, President of Upland Pride, stated that Upland Pride was now a 501(c)(3) and announced recent activities of the group.

16. CITY MANAGER

17. ADJOURNMENT

Mayor Stone adjourned the meeting at 10:20 p.m. The next regularly scheduled City Council meeting is Monday, June 10, 2019.

SUBMITTED BY


Keri Johnson, City Clerk

APPROVED

June 10, 2019



STAFF REPORT

ITEM NO. 11.B.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: LONDA BOCK-HELMS, CPA, ACTING ADMINISTRATIVE SERVICES DIRECTOR
SUBJECT: ANNUAL ADOPTION OF INVESTMENT POLICY

RECOMMENDED ACTION

It is recommended that the City Council adopt a Resolution approving and adopting the Annual Statement of Investment Policy for Fiscal Year 2019-20.

GOAL STATEMENT

The proposed action supports the City's goal to provide sound fiscal stewardship for the City of Upland.

BACKGROUND

The California Government Code sets the guidelines on how cities are able to invest money. As a part of those guidelines, Section 53646 of the Government Code requires the City Council to annually reaffirm the City's Investment Policy.

ISSUES/ANALYSIS

California Government Code Section 53646(a) requires that the treasurer of a local agency annually submit a statement of investment policy to the City Council at a public meeting for their approval. This Statement of Investment Policy contains the guidelines and parameters for investments that are permitted by the California Government Code Sections 53600 *et seq.* The Investment Policy has three primary goals to assure compliance with federal, state, and local laws governing the investment of public monies under the control of the City Treasurer:

1. Safety - this is the most important goal of investing to protect and preserve the City's investments;

2. Liquidity - this goal recognizes the need for readily available cash and mitigates the need to sell securities to obtain cash; and
3. Yield - this goal is to provide the highest level of earnings without sacrificing safety and liquidity, while complying with the California Government Code.

Currently, the City's idle cash and securities are managed in house. Staff uses a qualified broker-dealer from Piper Jaffray to assist with security purchases in compliance with the Statement of Investment Policy. The City Treasurer and staff monitor the various investments in conjunction with the broker-dealer and provide the City Council with a monthly Treasurer's Report.

The Piper Jaffray broker-dealer reviews any actions adopted by the California Legislature that might affect the investment policy and makes recommendations, as needed, for revisions to the City's current investment policy. At this time, he is recommending the City increase the Federal Agency investment limit from 25% to 50% in order to limit the possibility of non compliance. California Government Code does not require percentage limits. He is also recommending we eliminate the 50% maturity of 3 years or less requirement and add the verbiage "the portfolio should be managed in such a manner as to meet the City's liquidity, safety and capital preservation needs." This will allow the portfolio to be managed in such a way to meet the cash disbursement and cash flow needs without resorting to specific maturity boundaries. California Government Code does not require maturity limitations.

The City Treasurer reviewed the current investment policy and did not request any changes at this time. Staff updated certain job titles and the referenced committee name.

FISCAL IMPACTS

There is no fiscal impact associated with this action.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

**Resolution Statement of Investment Policy
Investment Policy**

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
UPLAND APPROVING AND ADOPTING THE ANNUAL
STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR
2019-20

Intent of the Parties and Findings

(i) Government Code Section 53646 of the State of California requires the City Treasurer or the Chief Fiscal Officer to render an annual statement of investment policy which must be considered at a public meeting; and

(ii) Government Code Section 53600 et seq., provides guidelines and regulations pertaining to investment of temporary idle funds.

NOW, THEREFORE, the City Council hereby finds, determines and resolves as follows:

Section 1. City Council does hereby adopt the attached Exhibit A containing the Statement of Investment Policy for the fiscal year 2019-20.

Section 2. Any and all prior resolutions adopting a Statement of Investment Policy for the City of Upland shall be hereby rescinded.

Section 3. Certification. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED and ADOPTED this 10th day of June, 2019.

Debbie Stone, Mayor

I, Keri Johnson, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 10th day of June, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

ATTEST: _____
Keri Johnson, City Clerk

EXHIBIT A

POLICY NO.: 2
SUBJECT: "STATEMENT OF INVESTMENT POLICY"
Dated: June 10, 2019

POLICY

The purpose of this document is to outline the policy on the investment of public monies.

It is the policy of the **City of Upland** and the **Successor Agency to the Upland Redevelopment Agency** (hereafter referred to collectively as the "City") to predicate their investment policies, procedures, and practices upon the limitations placed upon them by governing legislative bodies. These policies shall have three primary goals:

- To assure compliance with federal, state, and local laws governing the investment of public monies under the control of the City Treasurer.
- To protect the principal monies entrusted to the City.
- To generate the maximum amount of investment income within the parameters of prudent risk management as defined in this *Statement of Investment Policy*.

For the purposes of this policy, "Investment Officers" shall be defined as the City Treasurer, City Manager, Assistant City Manager, and the Finance Officer.

1.0 Scope

This *Statement of Investment Policy* shall apply to all funds that are under the control of the City Treasurer including, but not limited to, the general fund; special revenue funds; debt service funds; capital project funds; enterprise funds; trust and agency funds; and any other funds under the control of the City Treasurer. These funds are accounted for in the City's Comprehensive Annual Financial Report.

Investment of bond proceeds and related reserve funds shall be governed by the documents authorizing the issuance of such indebtedness.

The City's Deferred Compensation Plan ("Plan") shall be excluded from the scope of this *Statement of Investment Policy* if: (1) a third-party administrator manages the Plan; (2) individual plan participants have control over the selection of investments; and (3) the City has no fiduciary responsibility to act as a "trustee" for the Plan. The only exception to the foregoing shall be that if the City retains the fiduciary responsibility to act as a trustee for the Plan, then the provisions of this *Statement of Investment Policy* shall apply to the investment of Plan assets. Under these circumstances, the Finance Officer shall provide the Investment Committee and the City Council with a quarterly report on the investment of Plan assets.

2.0 Standard of Care

Investment Officers, as trustees of public monies, shall adhere to the "prudent investor" standard when managing the City's investment portfolios. They shall invest "...all governing bodies of local agencies or persons authorized to make

investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Investment Officers who follow the provisions of this *Statement of Investment Policy*, and who exercise due diligence shall be relieved of personal responsibility for a security's credit risk or market price risk provided that they report substantial deviations from expectations to the City Manager and to the Investment Committee in a timely manner and that they take appropriate action to control adverse developments. "Substantial deviations" shall be defined as either a decline of 10 percent or more in the market value of a security due to issuer default or a credit risk downgrade or the premature sale of a security at 10 percent or more below its acquisition cost.

3.0 Objectives

The City's investment objectives, in order of priority, shall be:

3.1 Safety. Safety of principal shall be the foremost objective. Investments shall be made with the aim of avoiding capital losses due to issuer default; broker-dealer default; or market value erosion. Principal shall be preserved by mitigating:

3.1.1 *Credit Risk*, the risk of loss due to the failure of the issuer of the security, shall be mitigated by investing in only the highest quality securities and by diversifying investments; and

3.1.2 *Market Risk*, the risk of loss due to a decline in bond prices because of rising market interest rates, shall be mitigated by structuring the portfolios so that issues mature concurrently with the City's anticipated cash requirements, thereby eliminating the need to sell securities prematurely on the open market.

3.1.3 It is recognized, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall investment strategy.

3.2 Liquidity. An adequate percentage of the portfolios shall be maintained in liquid, short-term securities that can be converted to cash, if necessary, to meet disbursement requirements. Since all cash requirements cannot be anticipated, the portfolios should consist largely of securities with active secondary markets. These securities should have a relatively low sensitivity

to market risk. Maximum overall portfolio maturities are referenced in section 15.0, paragraph 2 of this *Statement of Investment Policy*.

3.3 **Yield.** Yield shall be considered only after the basic requirements of safety and liquidity have been met.

4.0 Delegation of Authority

California Government Code Sections 53607 and 53608 authorize the legislative body of a local agency to invest, deposit, and provide for the safekeeping of the local agency's funds or to delegate those responsibilities to the treasurer of the local agency.

The City Treasurer, City Manager, Assistant City Manager or Finance Officer shall have the exclusive authority to buy and sell securities on behalf of the City. They shall engage in mutual consultation and in collective decision making on economic trends, investment opportunities, and portfolio structuring.

5.0 Internal Controls

The City Treasurer and Finance Officer shall be responsible for ensuring that all investment transactions comply with the City's *Statement of Investment Policy* and for establishing internal controls that are designed to prevent losses due to fraud, negligence, and third-party misrepresentation. The City Treasurer and Finance Officer shall establish written procedures for the operation of the City's investment program that are consistent with this *Statement of Investment Policy*.

Internal controls deemed most important shall include: avoidance of collusion; separation of duties and administrative controls; separating transaction authority from accounting and record keeping; custodial safekeeping; clear delegation of authority; management approval and review of investment transactions; specific limitations regarding securities losses and remedial action; written confirmation of telephone transactions; documentation of investment transactions and strategies; and monitoring of results.

The Investment Committee consists of two City Council members, selected by the Mayor, and the City Treasurer. The Committee shall be responsible for reviewing changes to the City investment reports, transactions, policies and procedures, and strategies, on a quarterly basis.

6.0 Conflict of Interest

Investment Officers shall refrain from personal business activity that could conflict with the proper execution of the City's investment program or impair their ability to make impartial investment decisions. They shall disclose to the City Council any material financial interest in financial institutions that conduct business within the City's jurisdiction. They shall also disclose any personal investment positions that could be related to the performance of the City's investment portfolios. Investment Officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of securities purchases and sales, and

shall avoid transactions that might impair public confidence.

Investment Officers and their immediate relatives shall not accept or solicit any gifts, gratuities, honorariums, or favors from persons or entities who provide or who are seeking to provide financial services to the City.

7.0 Authorized Broker-Dealers

The Finance Officer or Assistant City Manager shall have the authority to select any qualified broker-dealer(s) deemed necessary in facilitating investment transactions.

Any broker-dealer that has made a political contribution within any consecutive four-year period following January 1, 1996 in an amount that exceeds the limits in Municipal Securities Rulemaking Board ("MSRB") Rule G-37, to any member of or candidate for the City Council or City Treasurer shall not be eligible to transact business with the City.

Qualified broker-dealers (1) have been in existence for more than five years; (2) have a net capital position in excess of \$100 million; (3) are licensed as broker-dealers by the State of California; and (4) are headquartered or have a branch office in California.

The Finance Officer shall conduct an annual review of the financial condition and the registrations of all approved broker-dealers. In addition to other requirements, the City shall give all approved broker-dealers a copy of the City's current *Statement of Investment Policy* and a certification form. The completion and submission of the certification form by an approved broker-dealer shall constitute proof that it has received the City's *Statement of Investment Policy*, read it, and intends to comply with it. The Finance Officer shall keep current audited annual financial statements on file for each approved broker-dealer with which the City does business.

Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, the investment officer shall make their best efforts to document quotations for comparable or alternative securities.

8.0 Authorized Public Depositories

The Finance Officer shall maintain an Approved List of all commercial banks that the Finance Committee and the City Council have authorized as public depositories of City monies. This List shall be provided to all members of the City Council and the Finance Committee.

The City shall only deposit public monies in financial institutions that have: (1) at least \$100 million in total assets; (2) a core capital-to-total assets ratio of at least five percent; (3) favorable statistical ratings from a nationally recognized rating service, as determined by the City Treasurer; (4) a federal or a state charter; and (5) a branch office within San Bernardino County and/or Los Angeles County. The

only exception to the foregoing shall be 100% Federal Deposit Insurance Company (FDIC) insured securities purchased through a broker-dealer.

Under no circumstances shall the City's deposits in a financial institution exceed the total shareholder's equity of that institution.

9.0 Safekeeping and Custody

Investment Officers shall conduct all security transactions on a delivery-versus-payment ("DVP") or on a receipt-versus-payment ("RVP") basis. A third-party bank trust department ("Custodian") that acts as an agent for the City under the terms of a custody agreement executed between both parties shall hold the securities. The City's Custodian shall be represented on the Approved List.

The only exception to the foregoing shall be securities purchases made with: (1) local government investment pools; (2) money market mutual funds; and (3) Federal Reserve Banks ("Treasury Direct Program") since the purchased securities are not deliverable. No securities broker-dealer or investment advisor shall have access to City monies, accounts, or investments. Any transfer of monies to or through a securities broker-dealer must have the City Treasurer or Finance Officer's prior written approval. If they are unavailable, then the management authorization chain-of-command specified in section 4.0, paragraph 2 of this *Statement of Investment Policy* shall be followed.

The City shall not purchase more than \$15 million of securities from the Custodian if the Custodian will subsequently be holding those securities in custody for the City.

The City shall require Broker Trade Confirmations for all trades. Investment Officers shall review these confirmations immediately upon receipt, for conformity with the terms of the City's Trade Sheets.

10.0 Collateralization

Investment Officers shall ensure that all demand deposits and all non-negotiable certificates of deposit that exceed the FDIC insured limit, shall be fully collateralized with securities authorized under state law and under this *Statement of Investment Policy*. Collateral may be waived up to the FDIC limit for CD's since these will be insured by the FDIC. Any amount on deposit over the FDIC limit plus accrued interest, however, shall be collateralized with United States Treasury or federal agency securities at a constant margin ratio of 110 percent or with mortgage-backed collateral at a constant margin ratio of 150 percent.

Collateralized investments and demand deposits may require substitution of collateral. The City Treasurer must approve all requests from financial institutions for substitution of collateral that involve interchanging classes of security. An independent third party with whom the City has a current custodial agreement shall always hold the collateral. The independent third party shall provide the Finance Officer with a safekeeping receipt that he shall retain.

11.0 Authorized Investments

The City's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

11.01 United States Treasury Bills, Notes, Bonds, and Certificates of Indebtedness

There shall be no concentration limit on the purchase of Treasuries other than for zero coupon securities. *Purchases of zero coupon Treasuries shall not exceed 10 percent of the market value of the City's investment portfolio.*

11.02 Federal Agency and Instrumentality Notes

Investment shall be permitted in the following discount and coupon security issuers: the Federal Farm Credit Bank, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Tennessee Valley Authority, the Export-Import Bank of the United States, the Federal Land Bank, the Small Business Administration, the Student Marketing Loan Association, and the Farm Credit Consolidated System. *Purchases of callable securities shall not exceed 50 percent of the market value of the City's investment portfolio. No more than 50 percent of the market value of the City's investment portfolios may be invested in any one issuer.*

11.03 Municipal Securities

Obligations of the City, the State of California, any of the other 49 states, and any local agency within the State of California. *Purchases must be rated in a rating category of "A" or higher by at least one nationally recognized statistical rating organization (NRSRO).*

11.04 Medium-Term Notes

Defined as all corporate and depository institutions debt securities with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Investment shall be limited to medium-term notes ("MTN") rated in a rating category of "A" or better by an NRSRO. *Purchases shall not exceed 30 percent of the market value of the City's investment portfolio.*

11.05 Bankers' Acceptances

Investment shall be permitted in prime banker' s acceptances ("BA") issued by commercial banks which have short-term debt obligations rated "A-1" or higher by at least one nationally recognized statistical-rating organization; or long-term debt obligations which are rated in a rating category of "A" or higher by at least one nationally recognized statistical rating organization. *Purchases of BAs shall not exceed 180 days to maturity. Purchases of BAs shall not exceed 40 percent of the market value of the City's investment portfolios. No more than 30 percent of the market value of the City's investment portfolios shall be invested in BAs issued by any one bank.*

11.06 Commercial Paper

Investment shall be permitted in prime commercial paper ("CP") that is rated "A" by an NRSRO. The issuing corporation must be organized and operating in the United States; have total assets of \$500 million or more; and have long-term debentures that have been rated "A" or higher by a nationally recognized statistical rating organization. *Purchases of CP shall not exceed 270 days to maturity. No more than 15 percent of the market value of the City's investment portfolios shall be invested in CP. No more than 10 percent of the outstanding CP of any one issuer shall be purchased.*

11.07 Asset Backed, Mortgage-Backed, Mortgage Pass-Through securities and Collateralized Mortgage Obligations

The securities must be rated in a rating category of "AA" or higher by a nationally recognized statistical rating organization and are issued by corporations which have long-term obligations that are rated in a rating category of "A" or higher by at least one nationally recognized statistical rating organization. *No more than 20% of the total portfolio market value may be invested in these securities. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE. The maximum maturity must not exceed five years.*

11.08 Certificates of Deposit

Investment shall be permitted in negotiable and non-negotiable, collateralized certificates of deposit ("CD") issued by public depositories that meet the criteria specified in section 8.0, paragraph 2 of this *Statement of Investment Policy*. CDs that exceed the FDIC insured limit shall be collateralized pursuant to the provisions of this *Statement of Investment Policy*. *No more than 30 percent of the market value of the City's investment portfolio shall be invested in CDs. If collateralization will not be involved, then no more than the maximum insured amount may be invested in any one issuer.*

11.09 Mutual Funds and Money Market Mutual Funds

Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided:

Mutual Funds invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria: (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; and (2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million. Commission (e.g., sales load on purchases, reinvested dividends, redemptions, and exchanges) shall not be included in the purchase of any fund shares. *No more than 10 percent of the total portfolio may be invested in shares of any one mutual fund. No more than 20 percent of the total portfolio may be invested in mutual funds and money market mutual funds.*

Money Market Mutual Funds investments shall be permitted in shares of beneficial interest issued by diversified management companies that are money market funds ("MMF") registered with the SEC under the Investment Company Act of 1940. In seeking to maintain a stable share price of \$ 1.00, the MMF shall have a dollar-weighted average maturity of 90 days or less and shall purchase securities with an effective maturity of 13 months or less. Commission (e.g., sales load on purchases, reinvested dividends, redemptions, and exchanges) shall not be included in the purchase of any fund shares. A qualifying MMF must have: (1) total portfolio net assets of \$500 million or more; and (2) the highest rating of the two largest nationally recognized rating services OR an investment advisor who is registered with the SEC, and who has five years or more of experience investing for MMFs of \$500 million or more in total portfolio net assets. The City shall require audited annual financial statements from each MMF in which it has public monies invested. *No more than 20 percent of the market value of the City's investment portfolios may be invested in mutual funds and*

MMFs.

11.10 Local Agency Investment Fund ("LAIF")

Investment shall be permitted in this pool which is organized and managed by the State Treasurer's Office for the benefit of local agencies, pursuant to California Government Code Section 16429.1. The City Council approved City participation in LAIF on February 22, 1977 in Resolution Number 2716. The Successor Agency to the Redevelopment Agency approved participation in LAIF on February 13, 2012 in Resolution Number 2012-4. *Investment shall be limited to the maximum amount per legal entity that is permitted under state law.*

11.11 Supranational Securities

Investment shall be permitted in issues that are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities shall be rated in a rating category of "AA" or its equivalent or better by a NRSRO. *No more than 30 percent of the total portfolio invested in these securities. No more than 10 percent of the portfolio may be invested in any single issuer, and the maximum maturity shall not exceed five years.*

12.0 Prohibited Investments and Practices

Investment Officers shall not invest public monies in financial instruments that are not authorized under this *Statement of Investment Policy*.

Prohibited investments shall include, but shall not be limited to, equity securities, bond mutual funds, repurchase agreements, reverse repurchase agreements, and derivative contracts (forwards, futures, and options). The purchase of derivative securities shall be prohibited *except for callable and for zero coupon Treasury ("STRIPS") securities.*

Investment Officers shall not engage in securities lending, short selling, or other hedging strategies.

LAIF and MMFs shall be exempt from the prohibitions on derivative contracts, derivative securities, repurchase agreements, reverse repurchase agreements, securities lending, short selling, and other hedging strategies.

13.0 Investment Pools

Investment Officers shall investigate all local government investment pools ("LGIPs") prior to investing public monies and periodically thereafter while City public monies are invested in the LGIP. With the exception of LAIF, all LGIPs shall meet the criteria specified for money market funds in this *Statement of Investment Policy*.

14.0 Diversification

Investment Officers shall diversify the City's investment portfolio by security type and by issuer to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. No more than 5 percent of the total portfolio market value may be invested in securities of any single issuer, except where the issuer is the US Government, its Agencies and GSEs, supranational securities, collateralized deposits, mutual funds, money market mutual funds or local government investment pools.

15.0 Maximum Maturity

Investment Officers shall not invest in securities with maturities exceeding five years. The Investment Committee and City Council, however, may approve longer maturities for the investment of bond reserve, bond escrow, and other funds if the maturities of such investments are expected to coincide with the use of the funds.

Maturities may vary from 1 day to five years at the investment officers' discretion. The portfolio should be managed in such a manner as to meet the City's liquidity, safety and capital preservation needs.

16.0 Portfolio Rebalancing

In the event that portfolio percentage constraints are violated due to a temporary imbalance in the portfolio, then Investment Officers may hold the affected securities to maturity in order to avoid capital losses. If no capital losses would be realized upon sale, however, then the Investment Officers shall consider rebalancing the portfolio after evaluating the expected length of time that it will be imbalanced. Portfolio percentage limits are in place in order to ensure diversification of the City investment portfolio; a small, temporary imbalance, not to exceed three months, will not significantly impair that strategy. Bond or note proceeds shall not be factored into the balance of the portfolio.

17.0 Credit Downgrading

This *Statement of Investment Policy* sets forth minimum credit risk criteria for each type of security. This credit risk criteria applies to the initial purchase of a security; it does not automatically force the sale of a security if its credit risk ratings fall below policy limits.

If a security is downgraded below the minimum credit risk criteria specified in this *Statement of Investment Policy*, then the Investment Officers shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold.

The Finance Officer shall inform the Finance Committee at its next regular meeting of the credit downgrade and of the Investment Officer's decision to hold or sell the downgraded security.

The Investment Officers shall review the credit standing of all securities in the City's investment portfolios on a semiannual basis.

18.0 Portfolio Benchmark

The Treasurer shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the Treasurer's monthly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

The City's portfolios may be actively managed for purposes of improving portfolio risk structure, liquidity, or yield in response to market conditions or to meet City requirements.

19.0 Performance Reporting

The Finance Officer shall provide an investment report to the Investment Committee at the regularly scheduled meeting.

This report shall include a complete portfolio inventory with details on issue, par value, market value, coupon/rate, original settlement date of purchase, final maturity date, average weighted yield, and average days to maturity, and market value (including source of market valuation). The report will include a statement on compliance or noncompliance with the City's *Statement of Investment Policy* and a statement on whether there are or are not sufficient funds to meet the City's anticipated cash requirements for the next six months.

20.0 Policy Review and Adoption

The City Treasurer and Finance Officer shall submit a *Statement of Investment Policy* to the City Council and the Successor Agency Board annually for their review and adoption.

GLOSSARY OF INVESTMENT TERMS

Agencies. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae" issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "GinnieMae" issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average Life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Bankers' Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Cost Yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The annual rate of interest which is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as **discount securities**. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Deposit Insurance Corporation (FDIC). An independent US agency that insures bank deposits, including deposits in a checking account, negotiable order of withdrawal (NOW) account savings account, money market deposit account (MMDA), time deposit such as a certificate of deposit (CD), or an official item issued by a bank (such as a cashier's check or money order), currently up to \$250,000 per depositor, per issued bank, for each account ownership category.

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Investment Advisor. As defined by the Investment Advisors Act of 1940, any person or group that makes investment recommendations or conducts securities analysis in return for a fee, whether through direct management of client assets or via written publications. An investment advisor who has sufficient assets to be registered with the SEC is known as a Registered Investment Advisor, or RIA. Investment advisors are prohibited from disseminating advice known to be deceitful or fraudulent and from acting as a principal on their own accounts by buying and selling securities between themselves and a client without prior written consent.

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity: The speed and ease with which an asset can be converted to cash without a substantial loss in value

Local Government Investment Pool (LGIP). The aggregate of all funds from political subdivisions that are placed in custody of the State Treasurer for investment and reinvestment.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."¹¹

Margin: The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (Tbills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks and bonds, and money market.

Instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement (RP, Repo). Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield

on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranational. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Time Deposit. A savings account or certificate of deposit (CD) that pays a fixed rate of interest until a given maturity date.

Total Rate of Return. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



STAFF REPORT

ITEM NO. 11.C.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING ACTING CITY MANAGER
PREPARED BY: LONDA BOCK-HELMS CPA, ACTING ADMINISTRATIVE SERVICES DIRECTOR
SUBJECT: TREASURER'S REPORT APRIL 2019

RECOMMENDED ACTION

It is recommended that the City Council receive and file the April 2019 Treasurer's Report.

GOAL STATEMENT

The proposed action supports the City's goal to manage the City's resources in a fiscally responsible manner.

BACKGROUND

Per California Government Code Section 53646(b), the City's treasurer or fiscal officer shall render a treasurer's report to the City Council (at a minimum) on a quarterly basis. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, current market value as of the date of the report, investments and moneys held by the local agency and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. The report shall state compliance to the City's investment policy and shall include a statement noting the City's ability to meet its expenditure requirements for the next six months.

ISSUES/ANALYSIS

The submission of the monthly Treasurer's Report is a compliance measure.

FISCAL IMPACTS

There is no fiscal impact associated with this action.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

Treasurer's Report April 2019

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended
April 30, 2019

CITY MANAGER'S OFFICE

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 25,307,024	N/A	\$ 25,438,793	29.6%
Bank Accounts and Change Funds	6,360,435	N/A	6,360,435	7.4%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	2,436,179	N/A	2,436,179	2.8%
Government Agency Securities	37,212,878	37,255,000	37,067,314	43.3%
Corporate Bonds	13,169,255	13,178,000	13,203,216	15.4%
US Treasury	1,202,064	1,205,000	1,197,639	1.4%
Total Cash and Investments	\$ 85,687,837	\$ 51,638,000	\$ 85,703,576	100.0%

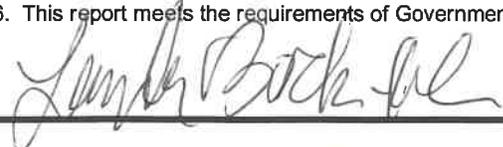
PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 4/30/19	1,106,598	1,106,598	14.4%
Pension Trust Investment as of 4/30/19	6,598,101	6,598,101	85.6%
Total Cash and Investments	\$ 7,704,699	\$ 7,704,699	100.0%

Weighted Average Days to Maturity	495.37
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Blended Yield:	2.250%
Benchmarks:	
LAIF	2.445%
2yr U.S. Treasury	2.270%
5yr U.S. Treasury	2.280%

Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	11	11
Colonies CFD Area #2 2015	2,070,930	2,070,930
Colonies CFD Area #1 2012	2,761,307	2,761,307
Upland 54 CFD 2004	242,084	242,084
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,455,315	2,455,315
Harvest at Upland CFD 2016-1	8,295,162	8,295,162
Total Restricted Funds	\$ 15,824,809	\$ 15,824,809

- I hereby certify that the investments are in compliance with the investment policy adopted by the City Council in June 2018.
- The City has the ability to meet its budgeted expenditures for the next six months.
- The market values for funds held in banking institutions do not change. The amounts listed as market values for these items are the same as their book values.
- The book value for the State Pool is the withdrawal value provided by the State Treasurer. The market value of funds held by the State Treasurer equates to the City's pro-rata share of the market value of the entire State Pool.
- Sources for current market valuation are Account Statements and the Wall Street Journal GNMA Mortgage rates on the last trading day of the month.
- This report meets the requirements of Government Code Section 53646.



Reviewed by Finance Officer



City Treasurer



Date

5/21/19

Date

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

State Local Agency Investment Fund

**For Period Ended
April 30, 2019**

<u>Fund or Account</u>		<u>Account Balance</u>	
City	98-36-942	25,307,024	
Successor Agency	65-36-007	-	
Upland Public Financing Authority	40-36-004	-	
	Totals	<u>\$ 25,307,024</u>	Market Value (See Note 4)
			<u>\$ 25,438,793</u>
 Yield for Period Ended	 4/30/2019	 <u>2.445%</u>	

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

Bank Accounts and Change Funds

For Period Ended
April 30, 2019

Account Name	Institution	Insured Deposits	Collateralized Deposits	Total Deposits
Petty Cash City of Upland	City of Upland	\$ -	\$ 11,880	\$ 11,880
City of Upland Payroll Zero Balance Account	Chase	-	-	-
City of Upland Checking Account	Chase	250,000	5,842,895	6,092,895
City of Upland Successor Agency	Chase	-	255,660	255,660
	Totals	\$ 250,000	\$ 6,110,435	\$ 6,360,435

TREASURY REPORT
City of Upland - Successor Agency - Public Financing Authority
For Period Ended
April 30, 2019

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
<u>Government Securities</u>						
FHLB	Wells Fargo Sec LLC	313379EE5	202,912	199,802	1.625%	6/14/2019
FHCB	Keybanc Capital Mkt Inc	3133EFW52	200,854	199,572	1.150%	7/1/2019
FHLMC	Brnp Paribas Securities	3137EADK2	198,576	199,392	1.250%	8/1/2019
FHLB	Wells Fargo Sec LLC	313380FB8	101,020	99,600	1.375%	9/13/2019
FFCB	Federal Farm Credit Bks	3133EHKA0	1,500,000	1,494,105	1.400%	9/23/2019
FHLMC	Morgan Stanley & Co	3137EADM8	198,617	198,988	1.250%	10/2/2019
FNMA	Deutsche Bank Sec Intl	3135G0R39	1,485,675	1,489,680	1.000%	10/24/2019
FHLB	Wells Fargo Sec LLC	3130AA3R7	1,498,710	1,491,810	1.375%	11/15/2019
FHLB	Wells Fargo Sec LLC	3130A0JR2	205,698	199,922	2.375%	12/13/2019
FHLB	Wells Fargo Sec LLC	3130A7PU3	199,088	197,806	1.200%	4/6/2020
FFCB	Wells Fargo Sec LLC	3133ECPD0	204,100	203,034	1.420%	5/13/2020
FHLB	Federal Home Loan Bks	3130ADPR7	2,500,000	2,500,450	2.500%	9/15/2020
FHLB	Federal Home Loan Bks	313382J53	1,508,501	1,487,550	1.750%	9/28/2020
FNMA	Deutsche Bank Sec Intl	3135G0RM7	1,499,295	1,484,130	1.630%	10/30/2020
FFCB	Federal Farm Credit Bks	3133EJMX4	1,000,000	1,000,040	2.680%	11/2/2020
FNMA	Deutsche Bank Sec Intl	3135G0F73	1,492,515	1,480,620	1.500%	11/30/2020
FFCB	Federal Farm Credit Bks	3133EHYU1	1,236,313	1,235,825	1.840%	9/13/2021
FNMA	Deutsche Bank Sec Intl	3135G0Q89	1,481,400	1,466,130	1.375%	10/7/2021
FFCB	Federal Farm Credit Bks	3133EFPT8	2,020,180	1,981,320	1.960%	11/19/2021
FHLB	Federal Home Loan Bks	3130AFD79	1,500,000	1,500,510	3.000%	11/23/2021
FHLB	Federal Home Loan Bks	3130AFCU9	1,500,000	1,504,695	3.125%	11/26/2021
FHLMC	Morgan Stanley & Co	3134GSFS9	2,500,000	2,500,600	2.375%	9/6/2022
FFCB	Federal Farm Credit Bks	3133EHYB3	1,232,838	1,233,100	1.940%	9/12/2022
FHLB	Federal Home Loan Bks	3130ACH72	1,247,738	1,243,038	2.260%	10/4/2022
FFCB	Federal Farm Credit Bks	3133EHF73	1,248,850	1,243,600	2.280%	10/17/2022
FHLMC	Federal Home LN Corp	3134GB3A8	1,500,000	1,489,365	2.250%	11/28/2022
FHLB	Wells Fargo Sec LLC	3130ACX82	1,250,000	1,243,075	2.375%	12/5/2022
FHLMC	Morgan Stanley & Co	3134GSLT0	1,500,000	1,500,225	1.125%	5/30/2023
FHLMC	Morgan Stanley & Co	3134GTKX0	2,000,000	1,998,540	2.780%	10/30/2023
FHLB	Federal Home Loan Bks	3130AFYU5	1,000,000	1,000,090	3.000%	3/7/2024
FHLMC	Morgan Stanley & Co	3134GTDW0	2,000,000	2,000,700	2.750%	4/30/2024
Government Securities Subtotal			37,212,878	37,067,314		
<u>Money Market Fund</u>						
City of Upland						
	US Bank	31846V203	2,436,179	2,436,179	0.93%	N/A
Money Market Fund Subtotal			2,436,179	2,436,179		
<u>Corporate Bonds</u>						
	Bank of China New York City	06426WY63	250,000	249,990	2.200%	5/15/2019
	Maple Bank Champlin CD	565109AZ8	250,000	249,995	2.200%	5/15/2019
	Toyota Motor Mountain	89236TDE2	124,825	124,925	1.400%	5/20/2019
	Bank of India New York Branch	06279KML7	250,000	250,008	2.350%	6/5/2019
	RBS Citizens NA CD	75524KLS1	250,000	250,055	2.450%	7/9/2019
	Berkshire Bank CD	084601SB0	250,000	249,975	2.300%	7/15/2019
	Mechanics Bank CD	583614BN1	250,000	250,023	2.400%	7/23/2019
	Microsoft Note	594918BN3	119,876	119,545	1.100%	8/8/2019
	Paccar Financial Corp Note	69371RN36	90,000	89,645	1.200%	8/12/2019
	Bank India New CD	06279KSJ6	250,000	250,173	2.600%	8/28/2019
	First Fid Bank Oklahoma City CD	32024FAB7	250,000	251,873	2.850%	9/14/2019
	Safra National Bank CD	78658Q3T8	250,000	250,123	2.500%	9/16/2019
	Preferred Bank CD	740367GU5	250,000	250,173	2.550%	9/20/2019

TREASURY REPORT
City of Upland - Successor Agency - Public Financing Authority
For Period Ended
April 30, 2019

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
BMO Harris CD		05581WJ22	250,000	250,215	2.600%	9/30/2019
Lakeside Bank CD		51210SPT8	250,000	250,020	2.400%	10/30/2019
USNY Bank CD		90344LEQ8	250,000	250,308	2.650%	11/5/2019
Wex Bank Midvale CD		92937CHF8	250,000	250,220	2.550%	12/13/2019
Bank Baroda New CD		06063HBF9	250,000	250,603	2.800%	12/27/2019
The Fahey CD		303117CQ6	250,000	250,143	2.500%	1/10/2020
Union Bank CD		90520VAG8	250,000	250,405	2.650%	1/16/2020
Merrick Bank CD		59013J5A3	250,000	250,498	2.700%	1/21/2020
Valley N B CD		919853BX8	250,000	250,523	2.700%	2/7/2020
Iberia Bank CD		45083ALH3	250,000	250,760	2.800%	3/2/2020
Compass BK CD		20451PWE2	250,000	250,765	2.800%	3/4/2020
United Bankers CD		909557HZ6	250,000	251,035	2.850%	5/19/2020
Brookline Bank CD		11373QFU7	250,000	251,195	2.900%	5/29/2020
First Financial CD		32021SFP6	250,000	251,263	2.900%	6/26/2020
Ally Bank Midvale Utah		02007GDM2	250,875	250,843	2.750%	6/29/2020
TCF National Bank CD		87227RCN2	250,000	250,418	2.600%	7/2/2020
Wells Fargo Bank CD		949763SP2	249,873	251,055	2.800%	7/27/2020
State Street Bank Note		857477AS2	103,593	99,935	2.550%	8/18/2020
Bank of Hope CD		062683BX4	250,000	251,155	2.800%	9/14/2020
Comenity CAP BK CD		20033AXY7	250,000	248,330	2.000%	10/23/2020
First Internet CD		32056GDD9	250,000	252,183	3.000%	12/28/2020
JP Morgan Chase CD		48128F4V1	250,000	251,000	3.000%	1/8/2021
Live Oak CD		538036DX9	250,000	252,318	3.000%	2/9/2021
Eagle Bank CD		27002YDY9	250,000	251,735	2.800%	3/8/2021
CitiBank NA CD		17312QH93	250,000	251,333	2.750%	4/12/2021
Capital One NA CD		14042RFV8	246,218	247,258	2.250%	5/24/2021
B Bay LLC Promissory Notebal		05580ANK6	250,000	252,665	3.000%	7/13/2021
Abacus Federal CD		00257TBA3	250,000	252,160	2.900%	8/31/2021
Wells Fargo Bank CD		949763LT1	250,000	248,060	2.250%	12/8/2021
Synchorony Bank CD		87164WYK8	250,000	250,723	2.700%	3/8/2022
Sterling Bank CD		85916VCW3	250,000	253,465	3.100%	3/9/2022
Morgan Stanley CD		61690UFC9	250,000	251,400	2.800%	3/14/2022
American CD		02587DN38	249,675	243,892	2.400%	4/5/2022
First Northeast CD		33583FAB8	239,570	242,700	2.000%	4/19/2022
Old Missouri CD		68002LBL1	250,000	253,495	3.100%	5/5/2022
American Express CD		02587CFU9	250,000	246,458	2.400%	8/29/2022
BMO Harris CD		05581WN35	250,000	250,455	2.850%	9/14/2022
Apple Inc		037833DE7	494,750	495,840	2.400%	1/13/2023
Goldman Sachs CD		38148PYQ4	250,000	250,575	2.800%	2/28/2023
Sallie Mae Bank Salt Lke		795450P66	250,000	254,145	3.200%	5/9/2023
Discover Bank Greenwood Del CD		254673RF5	250,000	255,175	3.300%	7/11/2023

Corporate Bonds Subtotal 13,169,255 13,203,216

US Treasury

US T-note Citigroup Global Mkt Inc	912828SX9	203,952	204,781	1.125%	5/31/2019
US T-note Morgan Stanley	912828TH3	197,673	199,212	0.875%	7/31/2019
US T-note Bmo Capital Mkt Corp	912828TR1	198,118	198,796	1.000%	9/30/2019
US T-note Barclays Capital Inc	912828G61	199,188	198,890	1.500%	11/30/2019
US T-note Citigroup Global Mkt Inc	912828H52	202,258	198,234	1.250%	1/31/2020
US T-note Morgan Stanley	912828UV0	200,876	197,726	1.125%	3/31/2020

US Treasury Subtotal 1,202,064 1,197,639

Total Portfolio \$ 54,020,377 \$ 53,904,348

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended	Market Value	Availability	No. of	weight	days to maturity	Total by
April 30, 2019		04/30/19 05/01/19	days until maturity		weighted average	maturity
Petty Cash	11,880	05/01/19	1	0.0%	0.00	
Checking Account	6,092,895	05/01/19	1	7.1%	0.07	
Successor Agency	255,660	05/01/19	1	0.3%	0.00	6,360,435
Total Bank Accounts	6,360,435					
State Local Agency Investment Fund	25,438,793	05/01/19	1	29.7%	0.30	25,438,793
US Bank	2,436,179	05/01/19	1	2.8%	0.03	2,436,179
Total Money Market Accounts	2,436,179					
Bank of China New York City	249,990	05/15/19	15	0.3%	0.04	
Maple Bank Champlin CD	249,995	05/15/19	15	0.3%	0.04	
Toyota Motor Mountain	124,925	05/20/19	20	0.1%	0.03	624,910
Corporate Bonds	624,910					
						34,860,317 1 - 30 days
Wells Fargo Sec LLC	199,802	06/14/19	45	0.2%	0.10	199,802
Government Securities	199,802					
Bank of India New York Branch	250,008	06/05/19	36	0.3%	0.11	250,008
Corporate Bonds	250,008					
Citigroup Global Mkt Inc	204,781	05/31/19	31	0.2%	0.07	204,781
US Treasury	204,781					
						654,590 31 - 60 days
Keybank Capital Mkt Inc	199,572	07/01/19	62	0.2%	0.14	
Bnp Paribas Securities	199,392	08/01/19	93	0.2%	0.22	398,964
Government Securities	398,964					
RBS Citizens NA CD	250,055	07/09/19	70	0.3%	0.20	
Berkshire Bank CD	249,975	07/15/19	76	0.3%	0.22	
Mechanics Bank CD	250,023	07/23/19	84	0.3%	0.25	
Microsoft Note	119,545	08/08/19	100	0.1%	0.14	
Paccar Financial Corp Note	89,645	08/12/19	104	0.1%	0.11	
Bank India New CD	250,173	08/28/19	120	0.3%	0.35	1,209,415
Corporate Bonds	1,209,415					
Morgan Stanley	199,212	07/31/19	92	0.2%	0.21	199,212
US Treasury	199,212					
						1,807,591 61 - 120 days
Wells Fargo Sec LLC	99,600	09/13/19	136	0.1%	0.16	
Federal Farm Credit Bks	1,494,105	09/23/19	146	1.7%	2.55	
Morgan Stanley & Co	198,988	10/02/19	155	0.2%	0.36	
Deutsche Bank Sec Intl	1,489,680	10/24/19	177	1.7%	3.08	3,282,373
Government Securities	3,282,373					
First Fid Bank Oklahoma City CD	251,873	09/14/19	137	0.3%	0.40	
Safra National Bank CD	250,123	09/16/19	139	0.3%	0.41	
Preferred Bank CD	250,173	09/20/19	143	0.3%	0.42	
BMO Harris CD	250,215	09/30/19	153	0.3%	0.45	1,002,383
Corporate Bonds	1,002,383					
Bmo Capital Mkt Corp	198,796	09/30/19	153	0.2%	0.35	198,796
US Treasury	198,796					
						4,483,552 121 - 180 days
Wells Fargo Sec LLC	1,491,810	11/15/19	199	1.7%	3.46	
Wells Fargo Sec LLC	199,922	12/13/19	227	0.2%	0.53	
Wells Fargo Sec LLC	197,806	04/06/20	342	0.2%	0.79	1,889,538
Government Securities	1,889,538					
Lakeside Bank CD	250,020	10/30/19	183	0.3%	0.53	
USNY Bank CD	250,308	11/05/19	189	0.3%	0.55	
Wex Bank Midvale CD	250,220	12/13/19	227	0.3%	0.66	
Bank Baroda New CD	250,603	12/27/19	241	0.3%	0.70	
The Fahey CD	250,143	01/10/20	255	0.3%	0.74	
Union Bank CD	250,405	01/16/20	261	0.3%	0.76	
Merrick Bank CD	250,498	01/21/20	266	0.3%	0.78	
Valley N B CD	250,523	02/07/20	283	0.3%	0.83	
Iberia Bank CD	250,760	03/02/20	307	0.3%	0.90	

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended	Market Value	Availability	No. of	weight	days to maturity	Total by
April 30, 2019		04/30/19 05/01/19	days until maturity		weighted average	maturity
Compass BK CD	250,765	03/04/20	309	0.3%	0.90	2,504,243
Corporate Bonds	2,504,243					
Barclays Capital Inc	198,890	11/30/19	214	0.2%	0.50	
Citigroup Global Mkt Inc	198,234	01/31/20	276	0.2%	0.64	
Morgan Stanley	197,726	03/31/20	336	0.2%	0.78	594,850
US Treasury	594,850					
						4,988,631
						181 - 1 year
Wells Fargo Sec LLC	203,034	05/13/20	379	0.2%	0.90	
Federal Home Loan Bks	2,500,450	09/15/20	504	2.9%	14.70	
Federal Home Loan Bks	1,487,550	09/28/20	517	1.7%	8.97	
Deutsche Bank Sec Intl	1,484,130	10/30/20	549	1.7%	9.51	
Federal Farm Credit Bks	1,000,040	11/02/20	552	1.2%	6.44	
Deutsche Bank Sec Intl	1,480,620	11/30/20	580	1.7%	10.02	8,155,824
Government Securities	8,155,824					
United Bankers CD	251,035	05/19/20	385	0.3%	1.13	
Brookline Bank CD	251,195	05/29/20	395	0.3%	1.16	
First Financial CD	251,263	06/26/20	423	0.3%	1.24	
Ally Bank Midvale Utah	250,843	06/29/20	426	0.3%	1.25	
TCF National Bank CD	250,418	07/02/20	429	0.3%	1.25	
Wells Fargo Bank CD	251,055	07/27/20	454	0.3%	1.33	
State Street Bank Note	99,935	08/18/20	476	0.1%	0.56	
Bank of Hope CD	251,155	09/14/20	503	0.3%	1.47	
Comenity CAP BK CD	248,330	10/23/20	542	0.3%	1.57	
First Internet CD	252,183	12/28/20	608	0.3%	1.79	
JP Morgan Chase CD	251,000	01/08/21	619	0.3%	1.81	
Live Oak CD	252,318	02/09/21	651	0.3%	1.92	
Eagle Bank CD	251,735	03/08/21	678	0.3%	1.99	
CitiBank NA CD	251,333	04/12/21	713	0.3%	2.09	3,363,795
Corporate Bonds	3,363,795					
						11,519,619
						1 - 2 years
Federal Farm Credit Bks	1,235,825	09/13/21	867	1.4%	12.50	
Deutsche Bank Sec Intl	1,466,130	10/07/21	891	1.7%	15.24	
Federal Farm Credit Bks	1,981,320	11/19/21	934	2.3%	21.59	
Federal Home Loan Bks	1,500,510	11/23/21	938	1.8%	16.42	
Federal Home Loan Bks	1,504,695	11/26/21	941	1.8%	16.52	7,688,480
Government Securities	7,688,480					
Capital One NA CD	247,258	05/24/21	755	0.3%	2.18	
B Bay LLC Promissory Notebal	252,665	07/13/21	805	0.3%	2.37	
Wells Fargo Bank CD	248,060	12/08/21	953	0.3%	2.76	
Synchrony Bank CD	250,723	03/08/22	1,043	0.3%	3.05	
Morgan Stanley CD	251,400	03/14/22	1,049	0.3%	3.08	
Sterling Bank CD	253,465	03/09/22	1,044	0.3%	3.09	
American CD	243,892	04/05/22	1,071	0.3%	3.05	
First Northeast CD	242,700	04/19/22	1,085	0.3%	3.07	1,990,162
Corporate Bonds	1,990,162					
						9,678,642
						2 - 3 years
Morgan Stanley & Co	2,500,600	09/06/22	1,225	2.9%	35.74	
Federal Farm Credit Bks	1,233,100	09/12/22	1,231	1.4%	17.71	
Federal Home Loan Bks	1,243,038	10/04/22	1,253	1.5%	18.17	
Federal Farm Credit Bks	1,243,600	10/17/22	1,266	1.5%	18.37	
Federal Home LN Corp	1,489,365	11/28/22	1,308	1.7%	22.73	
Wells Fargo Sec LLC	1,243,075	12/05/22	1,315	1.5%	19.07	8,952,778
Government Securities	8,952,778					
Old Missouri CD	253,495	05/05/22	1,101	0.3%	3.26	
American Express CD	246,458	08/29/22	1,217	0.3%	3.50	
Abacus Federal CD	252,160	10/04/22	1,253	0.3%	3.69	
BMO Harris CD	250,455	09/14/22	1,233	0.3%	3.60	
Apple Inc	495,840	01/13/23	1,354	0.6%	7.83	
Goldman Sachs CD	250,575	02/28/23	1,400	0.3%	4.09	1,748,983
Corporate Bonds	1,748,983					
						10,701,760
						3 - 4 years
Morgan Stanley & Co	1,500,225	05/30/23	1,491	1.8%	26.10	
Federal Home Loan Bks	1,000,090	03/07/24	1,773	1.2%	20.69	
Morgan Stanley & Co	1,998,540	10/30/23	1,644	2.3%	38.34	
Morgan Stanley & Co	2,000,700	04/30/24	1,827	2.3%	42.65	6,499,555

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended	Market Value	Availability 04/30/19	No. of days until maturity	weight	days to maturity	Total by maturity
April 30, 2019		05/01/19			weighted average	
Government Securities	<u>6,499,555</u>					
Sallie Mae Bank Salt Lke	254,145	05/09/23	1,470	0.3%	4.36	
Discover Bank Greenwood Del CD	<u>255,175</u>	07/11/23	1,533	0.3%	4.56	509,320
Corporate Bonds	<u>509,320</u>					
						<u>7,008,875</u>
						4- 5 years
Total Investments	<u>\$ 85,703,575</u>			100.00%	495.37	<u>\$ 85,703,575</u>
	Average Maturity in Days		495.37			
	Average Maturity in Years:		1.357			
LAIF Amortized Cost	\$ 102,743,601,352					
LAIF Fair Value	<u>\$ 103,278,566,073</u>					
Check:	1.005206794					

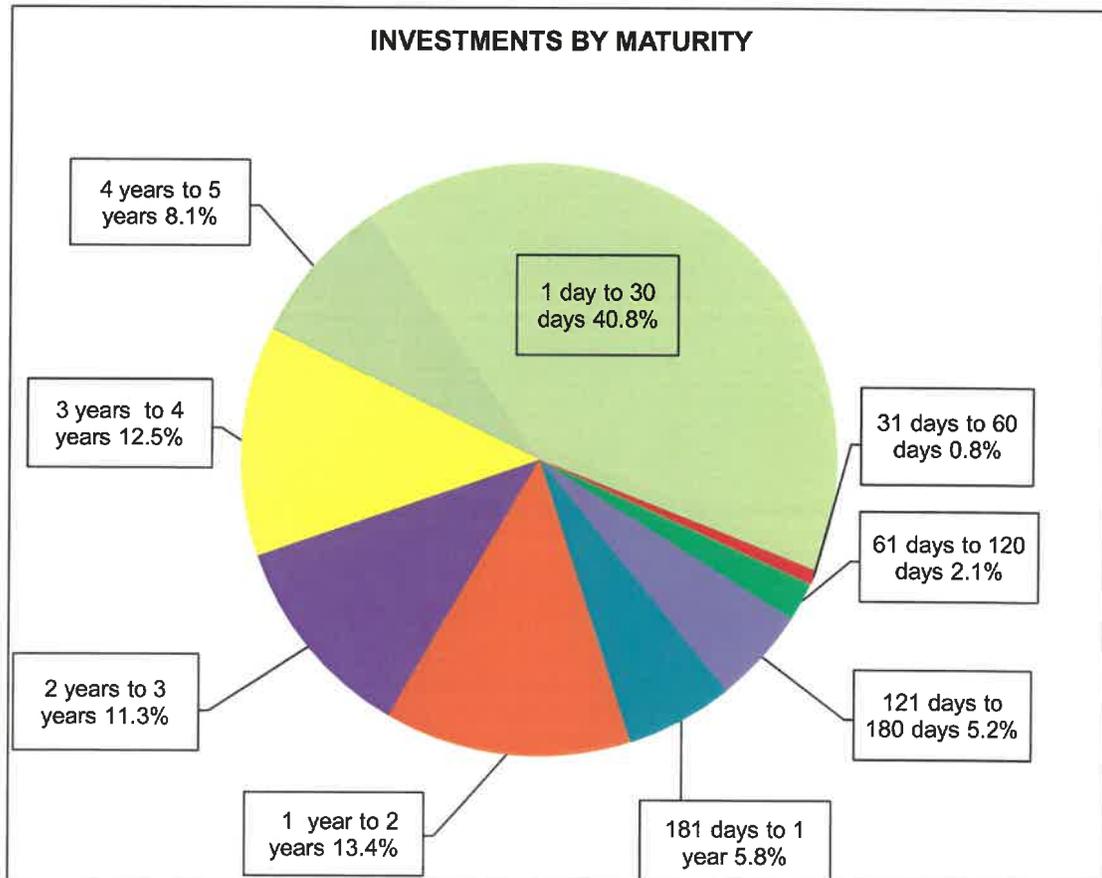
TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

**For Period Ended
April 30, 2019**

**Par Values Maturing by Date and Type
Maturities in Thousands of Dollars**

Investment Portfolio	1 day to 30 days	31 days to 60 days	61 days to 120 days	121 days to 180 days	181 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years
State Local Agency Investment Fund	25,439	-	-	-	-	-	-	-	-
Bank Accounts and Change Funds	6,360	-	-	-	-	-	-	-	-
ABS	-	-	-	-	-	-	-	-	-
Government Securities	-	200	399	3,282	1,890	8,156	7,688	8,953	6,500
Money Market Fund	2,436	-	-	-	-	-	-	-	-
Corporate Bonds	625	250	1,209	1,002	2,504	3,364	1,990	1,749	509
US Treasury	-	205	199	199	595	-	-	-	-
Total Cash and Investments	34,860	655	1,807	4,483	4,989	11,520	9,678	10,702	7,009
Percentage	40.8%	0.8%	2.1%	5.2%	5.8%	13.4%	11.3%	12.5%	8.1%





STAFF REPORT

ITEM NO. 11.D.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: KERI JOHNSON, CITY CLERK
SUBJECT: APPOINTMENT TO CITY COUNCIL ADVISORY COMMITTEE

RECOMMENDED ACTION

It is recommended that the City Council ratify the appointment of Hydee Hall to the City Council Advisory Committee, term to expire December 2020.

GOAL STATEMENT

The proposed action supports the City's goal to provide opportunities for the citizenry to participate in local government through service on various Committees, Commissions, and Boards.

BACKGROUND

The City currently has committees to which each member of the City Council makes an appointment. The City Clerk's office received the resignation of City Council Advisory Committee Member Brinda Sarathy on April 25, 2019. Ms. Sarathy served as Councilmember Velto's appointee. The City Council accepted the resignation at their meeting on May 13, 2019 and instructed the City Clerk to post the notice of vacancy pursuant to Government Code Section 54974.

ISSUES/ANALYSIS

The newly appointed member will serve the same term as Councilmember Velto which expires in 2020.

Councilmember Velto has nominated Hydee Hall to serve on the City Council Advisory Committee.

FISCAL IMPACTS

There is no fiscal impact associated with this appointment.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

CCAC Application



City of Upland

RECEIVED
UPLAND CITY
CLERK'S OFFICE

Public Service Application for Boards, Committees, Commissions

Name: Hydee Hall

Date: 5/20/19

- I want to generally apply for all committees
- I am applying specifically for the following:
City Council Advisory Committee

When are you available for meeting? (Check all that apply)

- Mornings
- Afternoons
- Evenings

General Information

INFORMATION REDACTED

Home Address: INFORMATION REDACTED

Home Phone: INFORMATION REDACTED

Email Address: _____

Present Employer: Retired

Business Address: _____

Business Phone: _____

Activities Information

Professional Activities: I manage an investment property that we own.

Community Activities: I am currently on the CDBG committee since 2012. I attend or watch all of the city council meetings. I completed UPD Citizens' Academy (2017).

Education Information

Alverno Heights Academy

Cal Poly Pomona

In 300 words or less, explain reasons for wanting to serve:

I am fortunate to be in a position where I have the free time to be of service in my community. I love Upland, it is where I raised my kids. As a representative for Bill Velto, I would be honored to study the issues, perspectives, research and advise when appropriate.

I have a unique ability to sit down and talk to a diverse group of people. I respect all people and know the importance of hearing residents' concerns.

If I am chosen to be a part of this committee, I promise to give 100% of myself to the task at hand for our council and our city.

Thank you for your consideration.

List three (3) community references:

1. Brigitte James - INFORMATION REDACTED

2. Irmalinda Osuna - INFORMATION REDACTED

3. Brinda Sarathy - INFORMATION REDACTED

INFORMATION REDACTED

Signature



STAFF REPORT

ITEM NO. 11.E.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: KERI JOHNSON, CITY CLERK
SUBJECT: APPOINTMENTS AND REAPPOINTMENTS TO CITY BOARDS AND COMMISSIONS

RECOMMENDED ACTION

It is recommended that the City Council ratify the Mayor's reappointment of Ralph Cavallo and appointment of Lynn Olson to the Library Board, terms to expire June 2022; reappointment of Linden Brouse and Shelly Verrinder to the Planning Commission, terms to expire June 2023; reappointment of Steve Bierbaum and Mark Bertone to the Personnel Board of Review terms to expire June 2023; and the appointment of Gifty Beets to the Personnel Board of Review as an alternate board member, term to expire in June 2023.

GOAL STATEMENT

The proposed action supports the City's goal to provide opportunities for the citizenry to participate in local government through service on various committees, commissions, and boards.

BACKGROUND

The Library Board was established in 1913. The Board is charged with providing materials and staff assistance for meeting the informal and educational needs of library users.

The Planning Commission was established in 1930 pursuant to the Planning Act of 1929. Changes to the Commission were later made in 1950 in accordance with the Conservation and Planning Act.

Pursuant to the Upland Municipal Code, the Personnel Board of Review has been established. The Board consists of three members and one alternate. One member is nominated by the City Council, one member is nominated and mutually agreed upon by the City Council and the

Employee Associations, and the third member is selected from names submitted by Employee Associations. The alternate member is also mutually agreed upon by the City Council and the Employee Associations.

Pursuant to Government Code Section 54972, the expiring terms of commission, committee, and board members was duly posted prior to December 31, 2018.

ISSUES/ANALYSIS

Resolution No. 6397 sets forth the process for appointments and states the Mayor shall appoint the Committee, Board and Authority members subject to the ratification by a majority of the Council. The Mayor wishes to reappoint Ralph Cavallo and appoint Lynn Olson to the Library Board, reappoint Linden Brouse and Shelly Verrinder to the Planning Commission, reappoint Steve Bierbaum and Mark Bertone to the Personnel Board of Review, and appoint Gifty Beets to the Personnel Board of Review as an alternate member.

The proposed slate of reappointments/appointments to the Personnel Board of Review was unanimously approved by the Employee Associations.

The subject reappointments to the Library Board are for a term of three years and all other appointments are for a term of four years.

Additionally, Ms. Verrinder has served two full consecutive terms on the Planning Commission; therefore her reappointment would require a 4/5ths vote of the City Council.

FISCAL IMPACTS

There are no fiscal impact.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

No Attachments Available



STAFF REPORT

ITEM NO. 11.F.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROSEMARY HOERNING, ACTING CITY MANAGER
MICHELLE MADRIZ, MANAGEMENT ANALYST WATER
CONSERVATION
SUBJECT: BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT
PROGRAM GRANT

RECOMMENDED ACTION

It is recommended that the City Council accept the Beverage Container Recycling City/County Payment Program Year 2018-19 Grant Award of \$19,310 and appropriate the funding.

GOAL STATEMENT

The proposed action supports the City's goal by pursuing grant funding to supplement the City's local funding resources and exercising prudent financial management of the City's Solid Waste program funds.

BACKGROUND

On November 27, 2018, the City applied to receive Beverage Container Recycling City/County Payment Program Year 2018-19 Grant funding to support the City's litter clean-up and beverage container recycling programs. This funding is used to purchase supplies and educational materials and for personnel expenses associated with the beverage container recycling collection program.

ISSUES/ANALYSIS

This program provides funding from the State for the continued proper management and promotion of the Beverage Container recycling program to improve the environment and reduce salvageable waste from landfill disposal.

The Beverage Container Recycling City/County Payment Program funds help to augment the solid waste programs for the purchase of trash bags, litter abatement in parks and right of ways, provides funds for public outreach efforts and other activities associated with the proper collection, disposal, and recycling of beverage containers.

FISCAL IMPACTS

The Beverage Container Recycling Program Year 2018-19 Grant Award funding will be tracked in fund 641 using a program number set up specifically for this grant cycle. The Fiscal Year 2019-20 budgeted revenues and expenditures will be increased by the grant award of \$19,310.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

FY 2018-19 Beverage Container Recycling Funding Certification
CalRecycle Beverage Container Check FY 18-19



**Beverage Container Recycling City/County Payment Program
City/County Annual Payment and Reporting System
Funding Request Certification**

Upland

Funding Request Cycle: FY 2018-19 **Type:** Individual **Eligible Funds (\$):** 19,310

Program Requirements

1) PRC 14581 (a)(3)(B)

Project Description:

The City will perform litter clean-up operations in parks and recreational areas and roadways, which includes the collection of bottles, cans and other beverage containers in support of this program to increase beverage container recycling in the City. In additionally, we will promote recycling of beverage containers at City events, community clean ups, presentations and other public out reach opportunities with the goal of increasing the quantity of beverage recycling.

2) PRC 14581 (a)(3)(F) (Supermarket sites refer to certified recycling centers at supermarkets (PRC 14526.6))

Have you prohibited the siting of a supermarket site?

No

Have you caused a supermarket to close its business?

No

Have you adopted a land use policy that restricts or prohibits the siting of a supermarket site within your jurisdiction?

No

3) Are you currently participating in mediation mandated by AB 506 ? Have you attempted to initiate such mediation or have you declared a fiscal emergency within the last 12 months? Note: The answer is for informational purposes and will not be used to determine eligibility for payment funding.

No

4) California Labor Code section 1782 prohibits a charter city from receiving state funding or financial assistance for construction projects if that charter city does not comply with Labor Code sections 1770-1782. If any applicants or participating jurisdictions are charter cities, the lead applicant must certify that Labor Code section 1782 does not prohibit any included charter city from receiving state funds for the project described in this Funding Request. If it is determined after award that a participating jurisdiction is a charter city prohibited from receiving state funds for this project, the agreement will be terminated and any disbursed program funds shall be returned to CalRecycle. If any applicant or participating jurisdiction is a charter city , does Labor Code section 1782 prohibit those charter cities from receiving state funding for the project described in this Funding Request? Check the following, as applicable.

No, Applicant certifies that no charter cities included in this application are prohibited from receiving state funding for the project described in this Funding Request.

5) These funds shall not be used for activities unrelated to beverage container recycling or litter reduction, Public Resources Code 14581 (a)(3)(C). Applicant acknowledges that submittal of this Funding Request constitutes acceptance of all provisions contained in the [City/County Payment Program Guidelines](#).

Yes, I Accept

Contacts

Name	Contact Type	Title	Phone	Email
Ms. Rosemary Hoerning	Signature Authority, Primary (Funding Request)	Public Works Director	(909) 291-2931	rhoerning@ci.upland.ca.us
Ms. Michelle Madriz	Secondary	Management Aalyst	(909) 291-2935	mmadriz@ci.upland.ca.us



Beverage Container Recycling City/County Payment Program
City/County Annual Payment and Reporting System
Funding Request Certification

Addresses

Address	Address Type	County
1370 N. Benson Ave. Upland, 91786	Physical	San Bernardino
460 N. Euclid Ave. Upland, 91785	Mailing	San Bernardino
460 N. Euclid Ave. Upland, 91786	Payment	San Bernardino

Documents

Document Type	Date	Title
Resolution	02/08/2016	Upland Resolution No. 6320

Activity Expenditures

Current Activity Group	Current Activity Item	Budgeted Funds (\$)
Litter Clean-up	Public Parks / Recreational Areas Roadways Community Events Equipment / Supplies	1,400
Advertising/Promotional	Print Ads / Flyers / Posters	600
Personnel	Recycling Coordinator Program Administrator Other: Maintenance Worker I/II, Operations Supervisor, Operations Manager	17,310
Total:		19,310

Penalty of Perjury Statement:

"I certify under penalty of perjury, under the laws of the State of California that I am authorized to sign this Funding Request on behalf of Recipient, that I have read the City/County Payment Program Guidelines and that to the best of my knowledge and belief that information provided in this Funding Request is true and correct."

X *Rosemary Hoerwing* _____ 11/27/18 _____
 Signature of Signature Authority (as authorized in Resolution) or Date
 Authorized Designee (as authorized in Letter of Designation)

ROSEMARY HOERWING _____ Public Works Director _____
 Print Name Print Title

IMPORTANT! Recipient must print out this page, obtain signature of Signature Authority, upload signed document to the City/County Annual Payment and Reporting System, and retain the original document in the Recipient's cycle file.



STAFF REPORT

ITEM NO. 11.G.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROSEMARY HOERNING, ACTING CITY MANAGER
SUBJECT: SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT WITH TKE ENGINEERING, INC.

RECOMMENDED ACTION

It is recommended that the City Council authorize an amendment to the professional services agreement with TKE Engineering for an additional amount of \$100,000 per year to provide special engineering services, total amount authorized \$300,000 per year.

GOAL STATEMENT

The proposed action will support the City's goal to properly provide coverage and oversight of projects and programs that are underway in the Water and Sewer programs and to assist with engineering related items.

BACKGROUND

On May 13, 2019, the City Council appointed the Public Works Director/City Engineer to the position of Acting City Manager. These consulting services are necessary to assist the Public Works Director in covering items that are underway within the Public Works Department.

Specifically, the current negotiations related to the Inland Empire Utilities Agency (IEUA) Regional Sewerage Contract Renewal, IEUA Rate Study for implementation FY 2020-21, IEUA Chino Basin Project, the Chino Basin Watermaster (CBWM) Appropriative Pool & Advisory Committee meetings, CBWM Storage Management, CBWM Optimum Basin Management Plan Update effort, Cucamonga Decree Modernization negotiations, and other critical duties as assigned.

TKE Engineering has staff that are familiar with both the IEUA program and the CBWM programs and can assist the Public Works Director in ensuring these areas of operation are adequately covered. Mr. Steve Nix who will be assisting in this effort was formerly the City

Engineer for the City of Chino Hills and has good knowledge of the IEUA Sewerage related programs. Mr. Steven Ledbetter has worked in the water industry for a number of years and has knowledge of the many Chino Basin Groundwater Management Activities. Mr. Michael Thornton who will be providing general oversight of these activities has extensive experience and knowledge of the water and wastewater field. TKE Engineering currently performs map and plan checking activities for the Public Works – Land Development Division.

This work will be on a time and materials basis. The rates for service are very reasonable for the caliber assigned staff. These rates are also reasonable when compared to other similar engineering consulting firms.

ISSUES/ANALYSIS

In addition to the reassignment of the Public Works Director, there are key management vacancies within the Public Works Department. This makes it difficult to provide adequate coverage for important programs and projects. There are other projects currently underway which include the Solid Waste Rate Evaluation, as well as, several capital improvement projects. These support services will help to fill some of the coverage gaps for the water and sewer programs, which are essential to the Public Works Department.

FISCAL IMPACTS

The Consultant has estimated the effort for 6 months; however, the duration of these support services is not known at this time and as such, the request is to provide a budgetary amount of \$100,000. The actual cost will be based on the actual time spent on providing the support services. There are funds available to cover the cost of these services within the Water (640) and Sewer (645) programs as a result of salary savings from the vacant positions.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

Second Amendment

First Amendment

Original Professional Service Agreement

**AMENDMENT TO AGREEMENT
FOR PROFESSIONAL CONSULTING SERVICES
STAFF SUPPORT FOR WATER AND SEWER PROGRAM MANAGEMENT**

THIS SECOND AMENDMENT TO AGREEMENT is made and effective as of May 29, 2019 between the City of Upland, a municipal corporation ("City") and TKE Engineering, Inc. ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

RECITALS

Whereas, the parties entered into a professional services agreement on December 11, 2017, for Professional Consulting Services;

Whereas, the parties approve the First Amendment to the Professional Consulting Agreement on July 23, 2018;

Whereas, the current service support the City's Engineering Land Development review activities; and

Whereas, the City is in need of additional services to support the Public Works Water Division Water Supply Resources Management and Sewer Collection and Treatment Service programs due to the appointment of the Public Works Director as Acting City Manager.

NOW THEREFORE, in consideration of the mutual promises and undertakings of the parties herein set forth to this Agreement agree as follows:

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the Parties agree as follows:

1. **TERM.** This Agreement shall commence on September 14, 2017 and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2020, unless sooner terminated pursuant to the provisions of this Agreement . In addition this Agreement may be extended for two additional option periods of one year apiece subject to mutual agreement.

5. **PAYMENT**

a. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the Schedule as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by reference as though set forth in full, based upon the actual time spent on the tasks provided in the agreement dated September 14, 2017, the First Amendment dated July 23, 2018 and the Second Amendment for Additional Services. This amount shall not exceed Three Hundred Thousand Dollars (\$300,000) each year for the total term of the Agreement unless additional payment is approved as provided in this agreement.

b. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by the City Manager at the time written authorization is given to Consultant for the performance of said services.

Additional Services Authorized under this Amendment: The City Manager shall be allowed to approve additional work, on an as needed basis up to \$100,000 per year (total Authorized Amount of \$300,000 per year) for the support of the Water Enterprise and Sewer Enterprise programs and as needed to meet operational needs. These services are generally outlined in the letter proposal dated May 28, 2019 and attached hereto as Exhibit "A1".

In addition, the City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement.

c. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of consultant's fees set forth on the invoice.

Except as expressly amended by the terms of this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed the day and year first above written.

CITY OF UPLAND

CONSULTANT

Debbie Stone, Mayor

TKE Engineering, Inc.
2305 Chicago Avenue
Riverside, CA. 92507

Attest:

By: Michael P. Thornton

City Clerk

Name: Michael P. Thornton

Approved as to Form:

Title: President

James L. Markman

By: Terry M. Renner

Name: Terry M. Renner

Title: Vice President



T K E E N G I N E E R I N G , I N C .

June 4, 2019

Ms. Rosemary Hoerning, P.E., P.L.S., M.P.A.
Acting City Manager
CITY OF UPLAND
460 N. Euclid Avenue
Upland, CA 91786

Subject: Proposal to Provide On-Call Regional Water Resource Planning and Management Support

Dear Ms. Hoerning,

Thank you for the opportunity to provide a proposal to the City of Upland (City) to support the City's efforts in regional water resource planning and management. The City has groundwater rights in the Chino Basin, as such, they actively participate in ongoing monthly management, committee, and Board meetings of the Chino Basin Watermaster (Watermaster). Additionally, the City also contract partner with the Inland Empire Utilities Agency (IEUA) for wastewater conveyance and treatment services. The City desires to retain a consultant to provide regional water resource planning and management support in coordination with both Watermaster and IEUA, as well as other utility management items.

More specifically, TKE will attend monthly Watermaster Appropriative Pool meetings as the City's representative. TKE will act as a liaison to the City Manager, acting only at the City's discretion, and report on-going business to the City for information and direction. In addition, TKE may periodically attend monthly Watermaster Advisory Committee meetings as the City's representative, in the same capacity identified above. TKE has experience with Watermaster and the challenging water supply, water quality, and basin management issues the City is facing. TKE is committed to ensuring the City's interests are well represented through the Optimum Basin Management Plan update, Storage Management Plan preparation, desalter assessment revisions, and other critical tasks at Watermaster.

TKE will also attend biweekly meeting with IUEA to represent the City on regional contract negotiations and at various technical committee meetings. In addition, IEUA is in the planning process for the Chino Basin Project (CBP). The CBP includes components for groundwater cleanup, advanced recycled water treatment, distribution, and storage system, and imported water exchange. On behalf of the City, TKE will work closely with IEUA and other water agencies to further define the CBP vision, implementation in the Chino Basin, and develop the institutional agreements to achieve the CBP vision.

Our Team consists of Mr. Michael P. Thornton as Principal in Charge, Mr. Steven W. Ledbetter as Senior Engineer, and Mr. Steven C. Nix as Senior Engineer, supported by over 30 staff at TKE Engineering. Resumes for key staff are attached herein. TKE anticipates attending up to two Watermaster meetings and up to four IEUA meeting each month. In addition to meeting attendance, TKE will coordinate with the City Manager prior to each meeting to discuss agenda items and receive direction. Following meetings, TKE will prepare minutes and review outcomes and action items with the City Manager. Lastly, TKE will provide support to the City Manager as it relates to regional water resource planning and management, together with other assignments, as directed.

TKE anticipates providing the above services to the City for a 6-month period. Our budget to provide said services for 6-months is \$56,400. A budget breakdown is attached herein. In addition, TKE proposes to use the same rate schedule we have used with the City on previous projects. TKE proposes to invoice the City monthly on a time and materials not to exceed basis. TKE does not have any other inclusions or exclusions.

Again, thank you for the opportunity to provide a proposal for regional water resource planning and management support. If you have any questions or need additional information, please call me at (951) 680-0440.

Sincerely,



Steven W. Ledbetter, P.E.
Project Manager
TKE Engineering, Inc.

Attachments: Resumes
Budget Breakdown



Mr. Michael Thornton, P.E., P.L.S., M.S.

Project Role
Principal-in-Charge

Mr. Thornton, TKE's President, will serve as principal in-charge. He has over 34 years of experience in water engineering planning, design, and construction management for water public works projects. In addition, Mr. Thornton has provided consulting engineering services to water agencies and cities. He has served Mission Springs Water District as its engineer representing the District at regional meetings for Integrated Regional Water Management as its representative for a Regional Water Management Plan. In addition, Mr. Thornton has served several cities as its engineer including the City of Upland for a brief time. He currently is serving as Hesperia and Calimesa's Engineer. For Hesperia, Mr. Thornton is responsible for Watermaster issues with Mojave Water Agency and represents the City with the regional wastewater agency - Victor Valley Wastewater Reclamation Authority.

Education
MS, Civil Engineering,
California State
University, Long Beach

BS, Civil Engineering,
California State
Polytechnic University,
Pomona

Registration
Registered Civil
Engineer, PE 44226
(CA)

Professional Land
Surveyor, LS 6867 (CA)

Affiliations
American Society of
Civil Engineers

American Water Works
Association

California Rural Water
Association

American Public Works
Association

American Council of
Engineering Companies

In addition to his current experience, Mr. Thornton has extensive water and wastewater engineering experience including water system improvements, sewer system improvements, and reclaimed water system improvements projects. He has been responsible for managing including funding administration, planning, evaluating, and designing these projects and has provided construction engineering and surveying services for many of these same projects. Experience includes preparation of drawings, specifications, estimates, reports, permit applications, environmental compliance documents, and easement acquisition documents for waterline, booster station, pressure regulating station, water reservoir, sewer, lift station, lift station rehabilitation, and sewage force main projects. In addition, he has provided construction administration for many of these same projects including supervising construction inspectors and providing other construction engineering support. Projects include construction of waterlines and appurtenance (valves, fire hydrants, services, air valves, and blow offs), connections to existing systems, pumps, motor control systems, site grading, sewers, force mains, manholes, laterals, gravity sewer siphons, boring, jacking and tunneling of casing or carrier pipes, and related work.



Mr. Steven W. Ledbetter, P.E.

Project Role
Senior Engineer

Education
BS, Civil Engineering
(Environmental),
California State
Polytechnic University,
Pomona

Registration
Registered Civil Engineer,
PE 84044 (CA)

Affiliations
Riverside-San Bernardino
Counties Branch, American
Society of Civil Engineers

Mr. Ledbetter has over 18 years of professional experience in the civil engineering industry. He has handled various critical and challenging projects from planning through design and implementation; all while ensuring that projects are executed as per specification, in the stipulated time, with quality. He has a well-rounded background with experience in: preparation and analysis of street and utility improvement plans and specifications including potable and non-potable water, wastewater, and drainage; utility master planning including computer modeling, analysis, and report preparation; water resource planning and management including feasibility studies, urban water management planning, water supply assessments (WSA) and verifications, integrated regional water management planning, and groundwater management planning; storm water compliance reporting including water quality management plans and storm water pollution prevention plans and; and grant writing and administration for various State and Federal agency programs.

Mr. Ledbetter is currently serving Mission Springs Water District as its District Engineer. He is working with staff to manage more than \$30 million in water and wastewater improvement projects. In addition, Mr. Ledbetter supports the District in several regional water resource planning elements, including Integrated Regional Water Management (IRWM) and Sustainable Groundwater Management. Services include budget development and management, technical analysis, capital project planning and delivery, management of other consultants, and presentations to their board of directors. As the District representative, he recently managed the preparation of an IRWM Plan update and is currently managing the preparation of a Groundwater Sustainability Plan.

Additionally, Mr. Ledbetter has extensive experience in Chino Basin groundwater management issues through the involvement in the Santa Ana Watershed Project Authority IRWM program, support of forensic services on California Public Utilities rate cases (e.g. research, engineering, calculations, exhibit preparation, deposition testimony, and trial testimony), and preparation of WSAs.



Mr. Steven Nix, P.E., P.L.S.

<i>Project Role</i> Senior Engineer	Mr. Nix, will serve as Senior Engineer. He has over 37 years of experience in water engineering planning, design, and construction management for water public works projects. In addition, Mr. Nix has provided consulting engineering services to water agencies and cities. He has served the City of Upland as the Sanitary Sewer Specialist, responsible for public works sewer and projects, plan checking and operations of 200,000 gallons/day wastewater treatment plant. In addition, Mr. Nix has also served East Valley Water District as the Director of Engineering and Operations. In this role, he was responsible for the daily operations of the both the Engineering Division and the Operations Divisions, a Capital Improvement Program which averaged \$5-6M of improvements to District facilities a year, overseeing the operation of a 8MGD surface water treatment plant which provides 1/3 of the potable water used within the District, and providing any support required by the Operations Division to maintain the optimum service levels of the water and wastewater system of the District. The Operations Division includes both water and wastewater and served approximately 102,000 residents within City of Highland and portions of both the City and County of San Bernardino.
<i>Education</i> Chaffey College, Alta Loma, CA	
<i>Registration</i> Registered Civil Engineer, PE 56810 (CA) Professional Land Surveyor, LS 8146 (CA)	
<i>Affiliations</i> American Society of Civil Engineers California Land Surveyors Association	<p>In addition to his past experience, Mr. Nix has extensive water and wastewater engineering experience including water system improvements, sewer system improvements, and reclaimed water system improvements projects. While serving as City Engineer for the City of Chino Hills, he was the primary person involved with the IEUA Sewer Tech Committee. This committee included representatives from all local agencies provided sewer and recycled water service by Inland Empire Utilities Agency. He also served as second in command for the Public Works Director in matters involving groundwater pumping and/or recharge activity through the local Watermaster. Mr. Nix has also served several other cities as its engineer and other capacities including City of Montclair, City of Ontario, City of Fontana, City of Chino, City of Riverside, and Chino Basin Municipal Water District.</p>

City of Upalnd
On-Call Regional Water Resource Planning and Management
Consulting Engineering Budget Breakdown - By Month

Task No.	Task	Principle In Charge		Senior Engineer		Assistant Engineer/Designer		Clerical		Total	
		Hours	\$	Hours	\$	Hours	\$	Hours	\$		
Design											
1	Meeting Preparation and Coordination	2	\$ 300	8	\$ 920	2	\$ 200	2	\$ 140	\$ 1,560	
2	Watermaster Meetings ^{2.)}		\$ -	12	\$ 1,380		\$ -		\$ -	\$ 1,380	
3	IEUA Meetings ^{3.)}		\$ -	14	\$ 1,610		\$ -		\$ -	\$ 1,610	
4	Post Meeting Minutes and Coordination	2	\$ 300	8	\$ 920	2	\$ 200	2	\$ 140	\$ 1,560	
5	Responding to Action Items	4	\$ 600	16	\$ 1,840	4	\$ 400	2	\$ 140	\$ 2,980	
Subtotal:		8	\$ 1,200	58	\$ 6,670	8	\$ 800	6	\$ 420	\$ 9,090	
										Reimbursables (@3%^{1.)}:	\$ 273

Rates:

Principle In Charge (Michael Thornton)	\$ 150 /HR
Project Manager	\$ 140 /HR
Senior Engineer (Steven Ledbetter and Steven Nix)	\$ 115 /HR
Assistant Engineer/Designer	\$ 100 /HR
Clerical	\$ 70 /HR

Notes:

- 1.) Reimbursables Include Cost for Prints, Copies, Mileage, Etc.
- 2.) Assumes two Watermaster meetings per month.
- 3.) Assumes four IEUA meetings per month.

Monthly Total:	\$ 9,363
Rounded Monthly Total:	\$ 9,400
Rounded 6-Month Total:	\$ 56,400

TKE Engineering, Inc.

**AMENDMENT TO AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
DEVELOPMENT PLANS AND MAPS REVIEW**

THIS FIRST AMENMENT TO AGREEMENT is made and effective as of July 23, 2018 between the City of Upland, a municipal corporation ("City") and **TKE Engineering, Inc.** ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

RECITALS

Whereas, the parties entered into a professional services agreement on December 11, 2017, for Professional Consulting Services;

Whereas, the services support the City's Engineering Land Development review activities and are dependent on the level of development occurring within the City; and

Whereas, the parties believe it to be efficient and beneficial to modify the agreement to facilitate efficient processing and engineering services related to development activity and submittals.

NOW THEREFORE, in consideration of the mutual promises and undertakings of the parties hereinafter set forth, the parties to this Agreement agree as follows:

AMENDMENT

1. **TERM.** This Agreement shall commence on **September 14, 2017** and shall remain and continue in effect until tasks described herein are completed, but in no event later than **June 30, 2019**, unless sooner terminated pursuant to the provisions of this Agreement. In addition, this Agreement may be extended for three additional option periods of one year apiece subject to mutual agreement.

5. **PAYMENT.**

a. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed **Two Hundred Thousand Dollars (\$200,000.00)** each year for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement.

c. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of consultant's fees it shall give written notice to Consultant within 30 days of receipt of a invoice of any disputed fees set forth on the invoice.

Except as expressly amended by the terms of this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

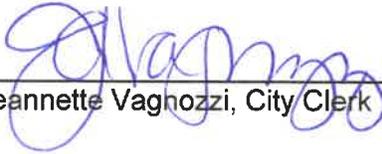
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF UPLAND



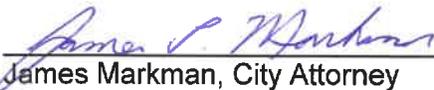
Debbie Stone, City Mayor

Attest:



Jeannette Vagnozzi, City Clerk

Approved As to Form:



James Markman, City Attorney

CONSULTANT

TKE Engineering, Inc.
2305 Chicago Avenue
Riverside, CA 92507

By: 
Name: MICHAEL P. THORNTON
Title: PRESIDENT

By: 
Name: TERRY M. RENNER
Title: VICE PRESIDENT

**AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
DEVELOPMENT PLANS AND MAPS REVIEW**

THIS AGREEMENT is made and effective as of September 14, 2017, between the City of Upland, a municipal corporation ("City") and TKE Engineering, Inc. ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM.** This Agreement shall commence on September 14, 2017 and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 13, 2018, unless sooner terminated pursuant to the provisions of this Agreement. In addition, this Agreement may be extended for two additional option periods of one year apiece subject to mutual agreement.

2. **SERVICES.** Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. **PERFORMANCE.** Consultant represents that it has that degree of knowledge and experience and holds all necessary licenses to practice and perform the services herein contemplated and shall at all times faithfully, competently and to the complete satisfaction of the City, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **PREVAILING WAGES.** Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this Contract from the Director of the Department of Industrial Relations. Copies may be obtained from the California Department of Industrial Relations' Internet web site at <http://www.dir.ca.gov>. Consultant shall provide a copy of prevailing wage rates to any staff or sub-contractor hired, and shall pay the adopted prevailing wage rates as a minimum. Consultant shall comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Consultant shall forfeit to the City, as a penalty, the sum of \$25.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this contract, by him or by any subcontractor under him, in violation of the provisions of the Contract.

5. **PAYMENT.**

a. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed One Hundred Thousand Dollars (\$100,000.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement or fifty thousand dollars (\$50,000.00). In no event shall the total sum of the agreement (*basic agreement amount and additional work*) exceed fifty thousand dollars (\$50,000.00). Any additional work in excess of this amount shall be approved by the City Council.

c. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of consultant's fees it shall give written notice to Consultant within 30 days of receipt of a invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE.

a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least ten (10) days' prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 4.

7. DEFAULT OF CONSULTANT.

a. The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

b. If the City Manager or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS.

a. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its

designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

c. With respect to the design of public improvements, the Consultant shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit A without the written consent of the Consultant.

9. INDEMNIFICATION.

a. The Consultant agrees to defend, indemnify, protect and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the City, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the City.

b. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

10. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.
- (2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.
- (3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

- (4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

b. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

- (1) General Liability: One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (2) Automobile Liability: One million dollars (\$1,000,000) per accident for bodily injury and property damage.
- (3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.
- (4) Professional Liability coverage: Two million (\$2,000,000) per claim and in aggregate.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

d. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- (1) The City, its officers, officials, employees and volunteers are to be covered as insured's as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
- (2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

- (4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- (6) Additional Insured – All policies, except for Worker's Compensation and Professional Liability policies, shall contain endorsements naming the City of Upland and their officers, employees, agents, and volunteers as additional insured parties with respect to liabilities arising out to the performance of Work hereunder. The additional insured endorsements shall also be primary and non-contributory.
- (7) Waiver of Subrogation Rights - CONSULTANT shall require the carriers of Commercial General Liability, Automobile Liability and Worker's Compensation to waive all rights of subrogation against the City of Upland, and its officers, employees, agents and volunteers. Such insurance coverage provided shall not prohibit CONSULTANT's employees or agents from waiving the right of subrogation prior to a loss or claim. CONSULTANT hereby waives all rights of subrogation against the City of Upland.

e. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VIII, and admitted and licensed to do business in the State of California, unless otherwise acceptable to the City. Self insurance shall not be considered to comply with these insurance requirements.

f. Verification of Coverage. Consultant shall furnish the City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences. As an alternative to the City's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

11. INDEPENDENT CONTRACTOR.

a. Consultant is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

c. PERS Eligibility Indemnification: In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

12. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant is responsible for compliance with the Patient Protection and Affordable Care Act (2010), and City shall not be obligated to provide any health care coverage to Consultant. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

13. RELEASE OF INFORMATION.

a. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or subcontractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

b. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as

set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Upland
Mailing Address:
P.O. Box 460
Upland, California 91785
460 North Euclid Avenue
Upland, California 91785
Attention: City Manager

To Consultant: TKE Engineering, Inc.
2305 Chicago Avenue
Riverside, CA 92507
Phone: 951.680.0440
Attention: Michael Thornton, P.E. P.L.S.

15. ASSIGNMENT. The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Consultant.

16. LICENSES. At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

17. GOVERNING LAW. The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Upland. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

18. PROHIBITED INTEREST. No officer, or employee of the City of Upland shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City of Upland has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

19. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

20. **AUTHORITY TO EXECUTE THIS AGREEMENT.** The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

21. **SEVERABILITY.** If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

22. **WAIVER.** The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

23. **CONSTRUCTION.** The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

24. **COSTS.** Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

25. **RESPONSIBILITY FOR ERRORS.** Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

26. **ATTORNEYS' FEES.** In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF UPLAND



Debbie Stone, City Mayor

Attest:

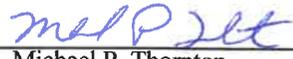

Jeannette Vagnozzi, City Clerk

Approved As to Form:


James Markman, City Attorney

CONSULTANT

TKE Engineering, Inc.
2305 Chicago Avenue
Riverside, CA 92507

By: 
Name: Michael P. Thornton
Title: President

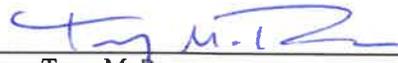
By: 
Name: Terry M. Renner
Title: Vice President

EXHIBIT A

TASKS TO BE PERFORMED

A. CITY SURVEYOR

Review of tentative and final tract or parcel maps submitted by developers in compliance to conditions of approval. Consultant will act as CITY SURVEYOR and will be signatory to all approved maps. Review will include review of closure calculations of all lots formed by land subdivisions, review of title reports, review and coordination of all easements and dedications to the City or utility companies; review of lot mergers, reversions, vacations, lot line adjustments, setting monuments for private and public improvements.

B. DEVELOPMENT PLANS REVIEW

Review engineering plans submitted by private engineering firms involving public and private improvement for land development projects. Plans, calculations and reports include street improvement plans, sewer improvement plans, water improvement plans, storm drain plans, mass grading plans, rough grading plans, precise grading plans, landscaping plans, irrigation plans, street light plans and miscellaneous public improvements including bridges, retaining walls, flood control channels. In addition, Consultant will also review erosion control plans, Water Quality Management Plans (WQMP) and Storm Water Pollution Prevention Plans (SWPPP) This scope includes review of geotechnical reports, hydrology and hydraulic calculations and other engineering documents in support of proposed improvements; review for conformance to standards, acceptable engineering practice and conformance to conditions of approval and all applicable local, state and federal laws;

C. TRAFFIC ENGINEERING PLANS

Review of traffic signal plans, signing and striping plans and supporting documents such as traffic impact analysis, traffic signal timing and coordination, traffic control plans, road closure plans and variety of traffic related plan review.

D. STAFF AUGMENTATION

Assign consultant staff to assist the City for various City duties including but not limited to, counter reviews, permit review and preparation, plan check acceptance, logging, routing and return, coordination between City departments for plan check comments, development processing, development invoicing, project management, construction management, and field inspections.

E. OTHER RELATED WORK

As deemed fit and per sole discretion by the City, Consultant may be asked to perform other professional engineering and surveying tasks.

EXHIBIT B

	<u>HOURLY RATE</u>
Principal in Charge	\$150.00
Project Manager/Construction Manager/Licensed Surveyor	\$140.00
Senior Engineer/Project Engineer (PE)/Senior Plan Checker*	\$115.00
Associate Engineer	\$105.00
Assistant Engineer/Plan Checker/City Staff Augmentation*	\$100.00
AutoCAD Technician	\$ 95.00
Engineering Technician	\$ 80.00
Clerical	\$ 70.00
Forensic Engineering.....	\$175.00
Expert Witness Testimony	\$300.00

*Expedited Plan Check Services Will Be Billed At 1 ½ Times The Normal Rate

SURVEYING SERVICES

2-Man Survey Crew (Prevailing Wage)	\$220.00
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CONSTRUCTION SERVICES

Senior Construction Inspector (Prevailing Wage)	\$100.00
Construction Inspector (Prevailing Wage)	\$ 95.00

REIMBURSABLE COSTS

In-house Reproduction	Cost
Printing and Materials	Cost + 10%
Express Mail/Courier/Next Day Service ..	Cost + 10%
Special Subconsultant Services	Cost + 10%



STAFF REPORT

ITEM NO. 11.H.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROSEMARY HOERNING, ACTING CITY MANAGER
SUBJECT: SEWER RATE ADJUSTMENTS – STATUS UPDATE

RECOMMENDED ACTION

It is recommended that the City Council recognize and affirm the Sewer Equivalent Dwelling Unit (EDU) Rate Amount of \$29.69 per EDU per month (City at \$10.10/EDU & IEUA at \$19.59/EDU) for FY 2018-19. It is further recommended City Council approve the Sewer Equivalent Dwelling Unit (EDU) Rate Amount of \$29.69 per EDU per month (City \$9.69/EDU & IEUA \$20.00/EDU) for FY 2019-20.

GOAL STATEMENT

The proposed action will support the City's goal to ensure funds are adequate to meet current and anticipated program operating and capital expenses, provide operating and emergency reserves and cost effective services.

BACKGROUND

On June 9, 2014, the City adopted Resolution No. 6229 setting forth a five year rate adjustment schedule for the City component of the sewer service program. The last rate adjustment implemented pursuant to this schedule occurred on July 1, 2017 setting the rate at \$10.10 per EDU per month.

The Resolution sets the maximum adjustment with an implementation date allowed without performing an additional Proposition 218 Notification and Hearing process required to establish a rate or schedule of rates. The City may elect to implement rates lower than what has been established by the Proposition 218 Public Notification process.

During the FY 2018-19 Budget process, staff reviewed the sewer program fund balance and anticipated expenses and recommended deferring the scheduled rate adjustment. During the FY 2019-20 Budget review process, staff again evaluated the program revenue and anticipated expenses and found the revenue level to expenditures to be reasonable and

sufficient. As part of this review, staff recommended a rate smoothing proposal to maintain current rates by adjusting down the City rate in order to off set the IEUA rate increase. The City conducted the Proposition 218 Notification and Public Hearing process to Resolution No. 6293 related to the IEUA adopted pass-thru rate schedule. In accordance with required notice procedures, in both cases the public was provided advance notice of the rate adjustment through their utility bills.

IEUA is currently, conducting a review of the IEUA Sewerage Treatment and Disposal rates, among other IEUA rates and fees.

As part of the recent audit review, the auditors recommended these modifications to the rates be processed and approved by City Council.

ISSUES/ANALYSIS

It is important to ensure revenue is adequate to meet the sewer program requirements and also to provide cost effective services to the public. Staff believes these adjustments can be accommodated. The City Sewer Service rates are designed to collect only what is necessary to meet the program requirement of providing reliable and safe services and reserves. Staff is in the process of implementing a sewer inspection program to assess the existing City sewer pipeline conditions. This work effort may result in additional capital improvements, which would cause staff to re-evaluate the adequacy of the City's Sewer Rate component.

FISCAL IMPACTS

The City Sewer Rate adjustment scheduled for July 1, 2018 included an increase of \$0.75/EDU for FY 2018-19. This increase, if implemented, would have realized additional program revenue of approximately \$239,000 per year. For FY 2019-20, based on current fund balance and known needs, staff recommended as part of the budget development process the City maintain rates to the City customers adjusting the City Sewer Rate to accommodate the increase to the IEUA pass-thru rate. This adjustment results in a reduction in the City Sewer Rate to \$9.69/EDU and reduces the City's program revenue by approximately an additional \$131,000 per year.

At this time, the current fund balance is adequate to meet current and anticipated program operating and capital expenditures and provides operating and emergency reserves.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

Resolution No. 6229

Resolution No. 6293

RESOLUTION NO. 6229

RESOLUTION OF THE CITY COUNCIL ADOPTING A REVISED
SCHEDULE OF THE CITY SEWER MAINTENANCE FEE

Intent of the Parties and Findings

(i) The City provides sewage disposal service to its users by operating and maintaining the City's sanitary sewer system, which collects and conveys sewage to the Inland Empire Utilities Agency (IEUA), for sewage treatment and disposal; and

(ii) The total monthly sewer service fee, as defined in Section 13.32.080 (B) of the Upland Municipal Code, is the sum of the IEUA treatment and disposal charge and the City sewer maintenance charge (collectively "Sewer Service Fee"); and

(iii) To sustain the City's sewer maintenance service requirements, with adequate operating reserve and capital for system rehabilitation required to provide continued safe and reliable sewage disposal service, the City conducted an evaluation of the City sewer maintenance service fee that determined the current costs exceed the amount collected from consumers; and

(iv) The City Council finds and determines that, in accordance with the evaluation, the schedule for rates on the City sewer maintenance service fee should be revised to reflect the estimated reasonable cost; and

(v) Pursuant to Section 13.32.060 of the Upland Municipal Code, the City Council adopted an ordinance approved by a two-thirds vote authorizing the City to revise the fee or charge for service and facilities furnished by the City's sanitary sewer system; and

(vi) Forty-five days prior to the public hearing, on or about April 24, 2014, notice of the public hearing was mailed to property owners and tenants pursuant to Article XIIIID Section 6 of the California Constitution; and

(vii) At the public hearing conducted on June 9, 2014, the City Council received written and oral testimony regarding the proposed City sewer maintenance service fee; and

(viii) on the basis of the evidence presented during the public hearing, the City Council has determined that the schedule for the City sewer maintenance service fee shall be adjusted as set forth below.

NOW, THEREFORE, the Upland City Council hereby finds, determines and resolve as follows:

Section 1. All of the facts set forth in the recitals part of this Resolution, are true and correct.

Section 2. Users of the City's sewer service are charged based on the number of equivalent dwelling unit (EDU), as defined in Section 13.32.080 (A) of the Upland Municipal Code.

Section 3. The total monthly sewer service fee for use of the City's sewer service shall be the sum the treatment and disposal charge, which is paid to IEUA as a pass-through charge, and the City sewer maintenance service fee or charge.

Section 4. Effective July 1, 2014, the City Sewer Maintenance Charge, as specified in Section 13.32.080 (B) of the Upland Municipal Code, shall be superseded as follows:

Schedule of City Sewer Maintenance Charge

Fiscal Year	Effective Date	Charge/Fee, per EDU per month
FY 2014-15	7/1/2014	\$7.50
FY 2015-16	7/1/2015	\$8.60
FY 2016-17	7/1/2016	\$9.35
FY 2017-18	7/1/2017	\$10.10
FY 2018-19	7/1/2018	\$10.85

Section 5. The charges or fees set forth above will remain in effect until amended by subsequent resolution(s) of the City Council.

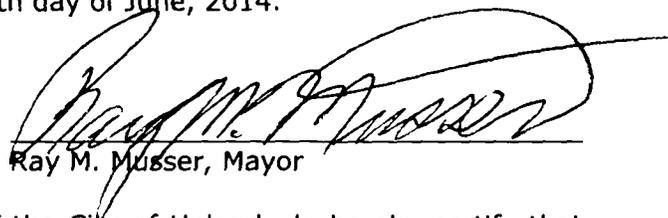
Section 6. The City Council finds that the California Environmental Quality Act of 1970, as amended, does not apply to the adoption of this Resolution, pursuant to Section 15273 of Article 18 of Chapter 3 of Title 14 of the California Code of Regulations. The City Council expressly finds based on the evidence before it that the increase is for the purposes of:

- a. Meeting the operating expenses, including employee wage rates;
- b. Purchasing supplies, equipment and materials;
- c. Obtaining funds for capital projects necessary to maintain service; and
- d. Meeting the financial reserves.

Section 7. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have adopted this Resolution, and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

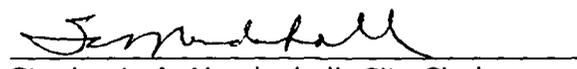
Section 8. Certification. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 9th day of June, 2014.


Ray M. Musser, Mayor

I, Stephanie A. Mendenhall, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 9th day of June, 2014, by the following vote:

- AYES: Mayor Musser, Councilmembers Stone, Brandt, Filippi
- NOES: Councilmember Bozar
- ABSENT: None
- ABSTAINED: None

ATTEST: 
Stephanie A. Mendenhall, City Clerk

RESOLUTION NO. 6293

RESOLUTION OF THE CITY COUNCIL ADOPTING A REVISED
SCHEDULE OF THE REGIONAL "PASS-THROUGH" SEWERAGE
TREATMENT RATE

Intent of the Parties and Findings

(i) The City is a party to the Regional Sewerage Service Contract, whereby the Inland Empire Utilities Agency (IEUA) provides sewage treatment and disposal services for the City, as well as other contracting agencies; and

(ii) On March 18, 2015, the IEUA Board of Directors adopted Resolution No. 2015-3-1, increasing its service rate for the operation and maintenance of the regional sewerage system and the treatment of sewerage, commonly known as the regional "pass-through" sewerage treatment rate, applicable to the contracting agencies, including the City; and

(iii) Government Code Section 53756 provides automatic adjustments for pass-through increases; and

(iv) Pursuant to Section 13.32.060 of the Upland Municipal Code, the City Council, by a two-thirds vote, has the power to revise and collect fees, tolls, rates, rentals or other charges for services and facilities furnished by it, either within or without its territorial limits, in connection with the sanitary sewerage system; and

(v) Pursuant to Article XIID Section 6 of the California Constitution, forty-five (45) days prior to the public hearing, on or about June 23, 2015, notices of the public hearing were mailed to property owners and tenants; and

(vi) At the public hearing conducted on August 10, 2015, the City Council received written and oral testimony regarding the regional "pass-through" sewerage treatment rate; and

(vii) On the basis of the evidence presented during the public hearing, the City Council has determined that the schedule for the IEUA regional "pass-through" sewerage treatment rate shall be adjusted as set forth below.

NOW, THEREFORE, the Upland City Council hereby finds, determines and resolve as follows:

Section 1. All of the facts set forth in the recitals part of this Resolution, are true and correct.

Section 2. Users of the City's sewer service are charged based on the number of equivalent dwelling unit (EDU), as defined in Section 13.32.080 (A) of the Upland Municipal Code.

Section 3. The total monthly sewer service fee or rate for use of the City's sewer service shall be the sum of the IEUA regional "pass-through" sewerage treatment rate and the City sewer maintenance service fee.

Section 4. Effective October 1, 2015, the IEUA regional "pass-through" sewerage treatment rate, per EDU per month, shall be set as follows:

IEUA Regional Pass-Through Sewerage Treatment Rate

Fiscal Year	Effective Date	Treatment Rate (*)
FY15-16	October 1, 2015	\$15.89
FY16-17	July 1, 2016	\$17.14
FY17-18	July 1, 2017	\$18.39
FY18-19	July 1, 2018	\$19.59
FY19-20	July 1, 2019	\$20.00
(*) Per month per Equivalent Dwelling Unit (EDU) or Single-Family Home		

Section 5. The charges or fees set forth above will remain in effect until amended by subsequent resolution(s) of the City Council.

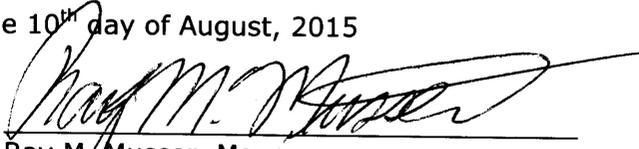
Section 6. The City Council finds that the California Environmental Quality Act of 1970, as amended, does not apply to the adoption of this Resolution, pursuant to Section 15273 of Article 18 of Chapter 3 of Title 14 of the California Code of Regulations. The City Council expressly finds based on the evidence before it that the increase is for the purposes of:

- a. Meeting the operating expenses, including employee wage rates;
- b. Purchasing supplies, equipment and materials;
- c. Obtaining funds for capital projects necessary to maintain service; and
- d. Meeting the financial reserves.

Section 7. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have adopted this Resolution, and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 8. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this the 10th day of August, 2015


 Ray M. Musser, Mayor

I, Debbi Covington, Deputy City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Upland held on the 10th day of August, 2015, by the following vote:

AYES: Mayor Musser, Councilmembers Bozar, Filippi, Stone, Timm
 NOES: None
 ABSENT: None
 ABSTAINED: None

ATTEST: 
 Debbi Covington, Deputy City Clerk



STAFF REPORT

ITEM NO. 12.A.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROBERT D. DALQUEST, DEVELOPMENT SERVICES DIRECTOR
LIZ CHAVEZ, DEVELOPMENT SERVICES MANAGER
SHELDON BLOOMFIELD, WEED ABATEMENT COORDINATOR
SUBJECT: ANNUAL WEED ABATEMENT PROGRAM

RECOMMENDED ACTION

It is recommended that the City Council approve the non-compliance list plus the additional fee of \$278.00, per property, pursuant to Resolution No. 6480 approved on January 28, 2019.

GOAL STATEMENT

The proposed action supports the City's goal to promote and enhance the quality of life in Upland by removing the potential for any fire, health or safety hazards, or public nuisance that may exist from extensive weed overgrowth, trash, and rubbish accumulations on private and public property.

BACKGROUND

The City of Upland has been conducting weed abatement services for almost four decades. Recognizing that excessive weed growth and trash accumulation can create a public nuisance, the Weed Abatement Program is used to eliminate likely fire hazards and public health issues. The program contains the following components: public information, inspections and notification of violation, and if necessary, mandatory abatements. Each January, an announcement is included within the City's utility statements, as well as on the City Hall Marquee and on the City's website. The announcement advises the public of the start of the program and to ensure the property owners and residents are aware of how important it is to maintain their property free of weeds and to prevent trash accumulations. Additionally, owners of vacant lands within the City were also sent an announcement telling them of the need to maintain their properties. The notice is included as Exhibit 1 to this report. Staff conducts an inspection of all properties within the City's boundaries (Approximately 21,000 parcels). Typically, inspections are done between February and April of each year. Due to

extensive rain, two inspections were done this year. The initial inspection identifies properties with an extensive accumulation of weeds, rubbish, or trash. A "Notice To Destroy Weeds - Remove Rubbish or Debris", is then sent to all property owners of record in violation allowing them ten (10) days to eliminate the problem. The notice describes the specific conditions of the property, identifies violations, and orders abatement. An initial administrative fee of \$72.00 is charged at this time. A final inspection is conducted and those properties still in violation are assessed a minimum fee of \$278.00, pursuant to Resolution No. 6480, plus the cost of abatement by a city contractor. Exhibit 2 is the "Annual Notice To Destroy Weeds - Remove Rubbish/Refuse". Exhibit 3 is Resolution No. 6480, and Exhibit 4 is the inspection list of non-compliant property owners.

ISSUES/ANALYSIS

This report lists those parcels identified in the 2019 Weed Abatement Survey as potential public nuisances. During the public hearing process property owners can testify on the status of their property and may contest the survey results. If the property is not free of the public nuisance, the City has the legal right to remove the weeds, rubbish, and/or refuse, and assess the costs of any cleanup against the property in the form of a lien with the San Bernardino County Tax Assessor's Office. The weed abatement process has been in place in Upland for many years and continues to serve the whole community ensuring health, safety, and welfare.

FISCAL IMPACTS

The City anticipates to recover all administrative costs involved with implementing the program plus any additional costs related to abatement services. The initial \$72.00 fee and the minimum \$278.00 fee for non-compliant parcel owners covers inspection activities and any or all written or verbal communication by staff. The cost of abatement services from the City Contractor, CLS Landscaping, are based on the size and condition of the parcels.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

Exhibit 1 - Utility Insert

Exhibit 2a - Annual Notice - Front

Exhibit 2b - Annual Notice - Back

Resolution #6480

Non-Compliant List

+

++ IMPORTANT INFORMATION ++
Weed Abatement Program
PLEASE READ CAREFULLY

In the interest of public safety, the City of Upland's Weed Abatement program is currently underway. Inspections are being conducted by City Staff, and legal notifications will be mailed by the middle of April to those properties that have an excessive overgrowth of weeds and/or rubbish accumulation. **Those property owners receiving an ANNUAL NOTICE TO ABATE notification will be assessed an initial inspection fee of \$72.00. If there is no compliance within ten (10) days of the notification, the fee will increase up to \$278.00 plus any abatement fees charged by the city contractor.**

The Upland Municipal Code designates that the following conditions constitute a public nuisance requiring abatement:

“Weeds” mean vegetation which will attain such a large growth as to become a fire menace when dry, or which are otherwise noxious or dangerous, and shall include any of the following:

- 1. Weeds which bear seeds of a downy or wingy nature;***
- 2. Sagebrush, chaparral and any brush or weed which may attain large growth;***
- 3. Poison oak and poison ivy;***
- 4. Dry grass, stubble, brush, litter or other flammable material.***

“Rubbish” means and includes, but is not restricted to, all waste or debris such as paper, cardboard, grass, tree or shrub trimmings, rugs, straw, clothing, wood or wood products, crockery, glass, rubber, metal, plastic, construction waste and debris, and other similar materials

In order to eliminate any potential Weed Abatement action against your property, you should arrange for the removal of all weeds and/or rubbish. It is very important that you inspect your front, rear and side yards, all adjacent parkways (the area between the sidewalk and the curb), and any portion of your property that abuts an alley. It is very common to overlook weeds that “blossom” within the area between your fence and the alley pavement, or within adjacent yard areas at the rear of your property that are visible from the public right-of-way.

It is also very important that you maintain your property free and clear of weeds and/or rubbish conditions *throughout the year*. This requirement on public and private property is to address both safety and aesthetic issues. If you are not the property owner, please contact or forward this notice to the owner of record. If you have any questions please contact Sheldon Bloomfield, Weed Abatement Coordinator at: (909) 931-4134.



DEVELOPMENT SERVICES DEPARTMENT
WEED ABATEMENT
Telephone (909) 931-4134
Facsimile (909) 931-4321

DATE:

ANNUAL NOTICE TO DESTROY WEEDS – REMOVE RUBBISH AND/OR REFUSE

Notice is hereby given that on the 28th day of January 2019, the City of Upland City Council passed a resolution declaring that noxious or dangerous weeds, rubbish or refuse were growing upon or in front of the property on this street, in Upland, and more particularly described in the resolution, and that they constitute a public nuisance which must be abated by the removal of the weeds, rubbish or refuse. Otherwise they will be removed and the nuisance abated by the city and the cost of removal assessed upon the land from or in front of which the weeds, rubbish or refuse are removed and will constitute a lien upon such land until paid. Property owners with an alley are responsible for weed abatement within the alley areas adjacent to their property. Reference is hereby made to the resolution for further particulars. A copy of said resolution is on file in the office of the city clerk. All property owners having any objections to the proposed removal of the weeds, rubbish or refuse are hereby notified to attend a meeting of the City Council of Upland to be held on June 10, 2019, when their objections will be heard and given due consideration. Objections to this notice must be in writing and received by the city clerk not later than 5:00 P.M. on June 3, 2019. Letters must clearly state all reasons the notice is in error or the condition cited is not subject to abatement.

THIS LETTER SERVES AS LEGAL NOTICE AND ORDER OF ABATEMENT. Our records indicate that you are the current owner of the parcel indicated on the address label above. Two initial inspections of this parcel was conducted between February & April 2019. These inspections showed that weeds, rubbish, or refuse are currently situated upon this parcel. Due to this condition the property owner will be charged a \$72.00 administrative fee. This condition constitutes a public nuisance within the meaning of the Upland Municipal Code, Title 8, Chapter 8.12.020 & 8.12.040. To assist you, we have either sketched or written the problem area on a diagram on the reverse side of this letter. If the weeds, rubbish/refuse and dirt are abated and/or removed within ten (10) days after the date of this notification, no additional fees will be forthcoming to the property owner other than the initial administrative charge. However, should a final inspection of the property show that the public nuisance still exists; the administrative fee will be increased to a minimum of \$278.00. This fee shall be assessed on this lot as a special lien item entry on the property tax bill. This assessment constitutes costs incurred by the City for enforcement abatement steps including investigation, photographs, research, formal written notice and other related costs incurred during the inspection and identification of the subject parcel. If said public nuisance is still not abated as required, the City of Upland has the legal right to remove the weeds, rubbish or refuse and assess all associated costs inclusive of the clean-up costs placed against the property in the form of a lien with the San Bernardino County Tax Assessor's Office.

Keri Johnson
City Clerk

Please direct any questions regarding this matter to Sheldon Bloomfield, Weed Abatement Coordinator, at (909) 931-4134.

Prior to mandatory City abatement, the Weed Abatement Coordinator conducts a final inspection of the property. If the public nuisance, which was apparent during the first two inspections, has been removed, the City does not take further action. An administrative fee of \$72.00 from the initial inspection will be charged to the property owner. If the subject property is not free of weeds, rubbish and/or refuse and no reasonable objection has been filed with the City Clerk, the minimum administrative fee charged to the property owner will increase to \$278.00. The City will exercise the legal right to remove the weeds, rubbish and/or refuse through the City contractor. These abatement assessment costs are inclusive and are levied against the property as a lien with the San Bernardino County Tax Assessor's Office, until paid. Please note: All property owners are required to maintain their parcels free of weeds and/or rubbish-refuse conditions throughout the year. THEREFORE, regrowth of weeds must be abated or abatement crews may clear regrowth under this same legal authority without additional notice, at the direction of the City. Ongoing Public Nuisance/Weed Abatement enforcement after August 1st through January of the following year is handled by the Code Enforcement Division.

Abatement must include front, rear and side yards, parkways and alley areas where weed growth exists between the properties fences, adjacent to the alley pavement.

THE FRONT SIDE OF THIS LETTER CONSTITUTES LEGAL NOTICE

PROBLEM AREAS OF CONCERN:



RESOLUTION NO. 6480

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UPLAND DECLARING CERTAIN WEEDS, RUBBISH, REFUSE AND DIRT IN THE PUBLIC RIGHT OF WAY AND PRIVATE PROPERTY WITHIN THE CITY, TO BE PUBLIC NUSIANCES AND PROVIDING FOR THE ABATEMENT THEREOF.

Intent of the parties and findings

(i) There are currently existing and now growing upon certain streets and/or sidewalks within the City of Upland (the "City") and upon and/or in front of those certain private properties hereinafter particularly described, weeds which when mature bear seeds of a downy or wingy nature which will grow to a size that will become a fire menace when dry, and/or which are otherwise noxious or dangerous to persons and property within said City; and

(ii) The weeds that are currently existing or are now growing or have the potential to be upon those certain streets and/or sidewalks within the City, as hereinafter particularly described, and upon and/or in front of those certain private properties hereinafter particularly described, are seasonal and recurrent nuisances; and

(iii) There are currently existing upon those certain streets and/or sidewalks within the City, and upon and/or in front of those certain private properties, hereinafter particularly described, rubbish and refuse and, accordingly, it is the intention and purpose of the properly constituted authorities of the City to cause the abatement of all of the same that have not been destroyed or abated by the owners of such properties; abatement or removal when done by the City shall be assessed upon the parcels and lands from which said weeds, rubbish and refuse are removed and to impose such costs as a lien upon lots and lands until paid.

NOW, THEREFORE, the City Council of the City of Upland hereby finds, determines and resolves as follows:

Section 1. Recitals. The foregoing recitals are true and correct and are a substantive part of this Resolution.

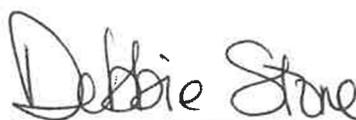
Section 2. Definitions and Declarations. The word "weeds", as used in this Resolution, includes weeds which bear seeds of a downy or wingy nature, and any other brush or weeds which attain such growth as to become, when dry, a fire menace to adjacent improved property, weeds which are otherwise noxious or dangerous, poison oak and poison ivy when conditions of growth are such as to constitute a menace to the public health, and dry grass, stubble, brush or other flammable material which endangers the public safety by creating a fire hazard; and vegetation, vines and shrubs of every kind and nature overgrowing curb lines or draping over walls or fences along, or projecting into public streets, including alleys, thereby interfering with public street use and maintenance and the public safety. The words "rubbish and refuse", as used in this Resolution, includes trash, garbage and leavings of every kind that are not fully contained within a receptacle designed for such placement in preparation for removal by the proper authorities. Therefore, all of such

weeds, rubbish and refuse are hereby declared to be a seasonal and recurrent public nuisance in each and every case and instance, and the same in each and every case and instance is hereby ordered to be abated by the respective owners of such lands.

1. Section 3. Abatement Notice and Fees. The City Clerk shall cause to be mailed written notice of the proposed abatement to all persons owning property where such nuisances exist; advising of an initial inspection fee of \$72.00, increasing to \$278.00 plus abatement fees if such abatement is not completed within 10 days of notice; said notices shall be substantially in the form required by applicable law; and June 10, 2019 at 7:00 PM, or as soon as possible thereafter, at the Council Chambers within Upland City Hall, or such other location as may be designated by the City Council pursuant to applicable law, is hereby fixed as the date, time and place for hearing and considering any and all objections or protests to the proposed removal of such weeds, rubbish and refuse as a charge and lien upon the property suffering such nuisance to exist, and any and all persons having objections to such proposed removal are hereby notified to attend a meeting of the City Council of the City of Upland at the date, time and place as set forth herein, when their objections will be heard and given due consideration. This resolution shall particularly apply to all parcels and streets within the City of Upland's corporate limits as provided by the County of San Bernardino Assessor's official records, which is incorporated herein by this reference and available for review in the City Clerk's Office.

Section 4. Certification. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED and ADOPTED this 28th day of January, 2019.

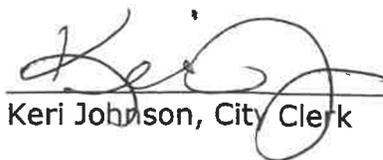


Debbie Stone, Mayor

I, Keri Johnson, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 28th day of January, 2019, by the following vote:

AYES: Mayor Stone, Councilmembers Elliott, Felix, Velto, Zuniga
NOES: None
ABSENT: None
ABSTAINED: None

ATTEST:


Keri Johnson, City Clerk



DEVELOPMENT SERVICES DEPARTMENT

WEED ABATEMENT

Telephone (909) 931-4134

Facsimile (909) 931-4321

NON-COMPLIANT

2019

PARCEL NUMBER

SITUS ADDRESS

1007-041-05-0000	W 11 TH STREET – VACANT LOT
1007-041-06-0000	W. 11 TH STREET – VACANT LOT
1007-061-08-0000	1816 W FOOTHILL – VACANT LOT
1007-061-23-0000	1812 W FOOTHILL – VACANT LOT
1007-242-15-0000	W. ARROW – VACANT LOT
1007-443-13-0000	W. ARROW – VACANT LOT
1007-642-01-0000	102 S LOMA PL
1007-653-08-0000	1916 W 19 TH STREET
1008-221-05-0000	W. 7 TH STREET – VACANT LOT
1008-221-06-0000	W. 7 TH STREET – VACANT LOT
1008-221-07-0000	W. 7 TH STREET – VACANT LOT
1043-032-34-0000	W. 24 TH STREET – VACANT LOT
1043-032-35-0000	W. 24 TH STREET – VACANT LOT
1043-322-13-0000	2163 N EUCLID AVE – VACANT LOT
1044-012-10-0000	615 KENWOOD STREET
1044-592-10-0000	1604 N SAN ANTONIO AVE
1045-023-24-0000	1582 N SAN ANTONIO AVE
1045-321-16-0000	1353 N VALLEJO WAY
1045-371-12-0000	1339 N 3 RD AVE
1045-432-31-0000	1293 ELMER CT.
1045-591-22-0000	1144 N VALLEJO WAY
1046-263-04-0000	622 N 2 ND AVE
1046-272-06-0000	768 N 1 ST AVE
1046-283-18-0000	693 N EUCLID AVE
1046-283-19-0000	691 N EUCLID AVE
1046-383-07-0000	234 E ARROW
1046-452-06-0000	844 E. WASHINGTON
1046-471-05-0000	402 N 11 TH AVE
1046-471-12-0000	1168 E ARROW HWY
1046-501-03-0000	BOWEN ST – VACANT LOT
1046-501-21-0000	1434 E 9 TH STREET
1046-501-32-0000	1443 BOWEN STREET
1046-541-08-0000	164 N 9 TH AVE
1046-542-22-0000	1108 E 9 TH STREET
1046-562-06-0000	618 E 9 TH STREET

NON-COMPLIANT
2019

PARCEL NUMBER

SITUS ADDRESS

1046-582-13-0000	401 A STREET – VACANT LOT
1046-582-14-0000	401 A STREET – VACANT LOT
1046-582-15-0000	401 A STREET – VACANT LOT
1046-582-16-0000	401 A STREET – VACANT LOT
1046-582-17-0000	401 A STREET – VACANT LOT
1046-582-18-0000	5 TH AVE – VACANT LOT
1046-582-19-0000	A STREET – VACANT LOT
1046-582-20-0000	A STREET – VACANT LOT
1046-602-15-0000	185 S 2 ND AVE
1047-055-10-0000	173 ELIZABETH LN
1047-073-13-0000	312 S 2 ND AVE
1047-181-02-0000	1252 E 7 TH STREET

**ECONOMIC DEVELOPMENT COMMITTEE MEETING
JUNE 3, 2019**

CONCLUSION/ACTION SUMMARY

In attendance: Committee Chair Felix, Committee Member Velto, Councilmember Elliott, Development Services Director Dalquest and Economic Development Coordinator Picazo

- 1) **ORAL COMMUNICATIONS**, None.
- 2) **ECONOMIC DEVELOPMENT UPDATE BY JLL**, consultants Erik Westedt and Blake Kaplan made a presentation on restaurant and retail trends. They also provided an update on City-wide shopping centers including tenant leases/negotiations within the Bongiovanni site, Upland Village Center, Mountain Green Shopping Center, Upland & Country Shopping Center, Red Hill Plaza, and Sycamore Hills Plaza.



Economic Development Committee Meeting

June 3, 2019

4:00 PM

Pinky Alder Room - City Hall

-
1. ORAL COMMUNICATIONS
 2. ECONOMIC DEVELOPMENT UPDATE BY JLL

NOTE: All Agenda items and back-up materials are available for public review at the Upland Public Library, downstairs reference desk at 450 North Euclid Avenue, the City Clerk's Office at 460 North Euclid Avenue and the City website at www.ci.upland.ca.us, subject to staff's ability to post the documents before the meeting.

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 909.931.4120. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II]

POSTING STATEMENT: On May 30, 2019, a true and correct copy of this agenda was posted on the bulletin boards at 450 N. Euclid Avenue (Upland Public Library) and 460 N. Euclid Avenue (Upland City Hall).

City of Upland

Shopping Center Overview



Incorporated in 1906



Upland, California Overview

Founded in 1906, the City of Upland, California, is the gateway to the vast Inland Empire located at the western edge of San Bernardino County and the link to Los Angeles County and beyond. Upland is a small, quaint bedroom community home to more than 77,000 residents.

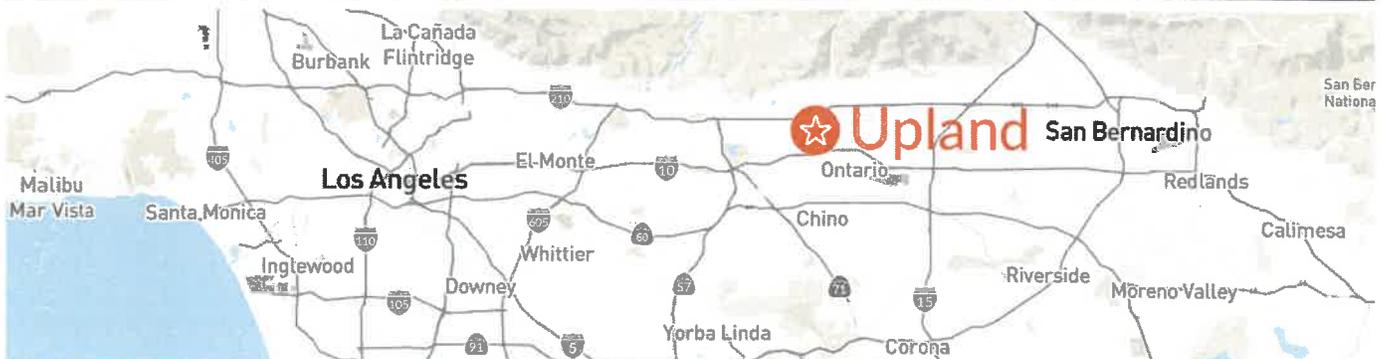
Spread over 15.8 square miles in the heart of greater Southern California, Upland is ideally suited for commercial and residential development at several key strategic locations that offer access to the region's booming population and room to grow smartly.

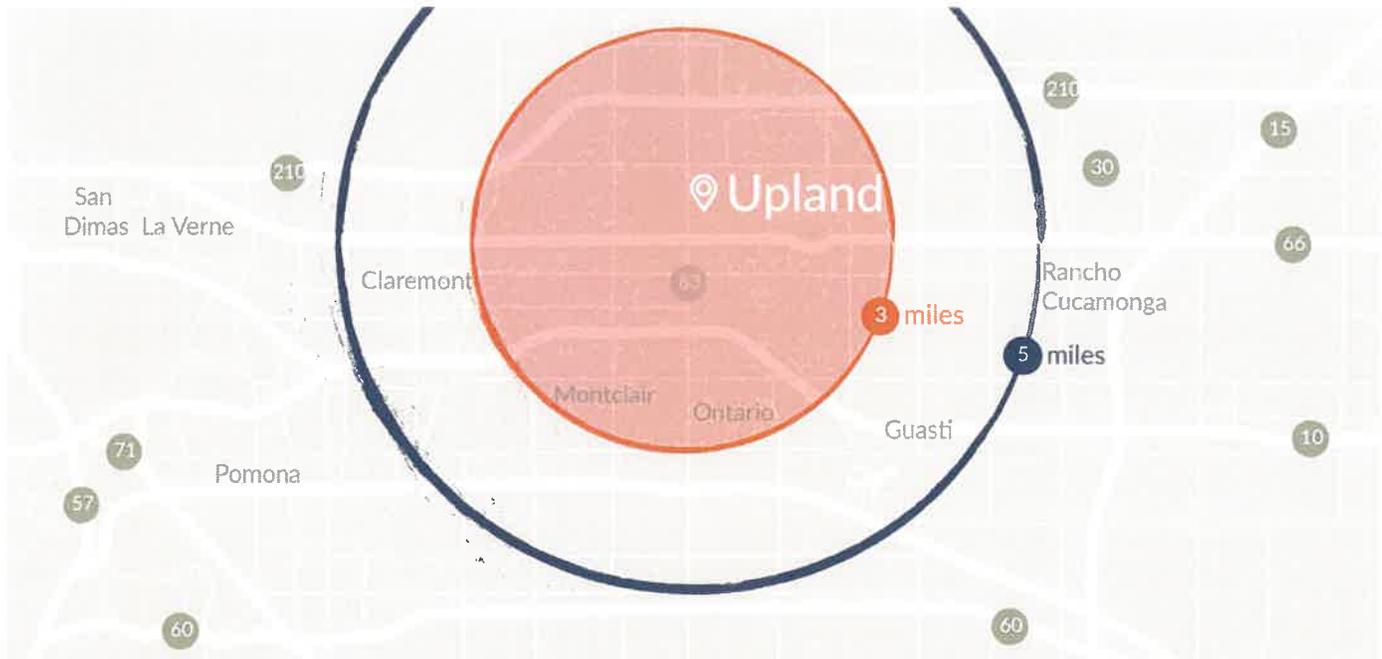
Situated less than an hour's drive east of Los Angeles and equidistant to the region's sandy beaches, mountain resorts, desert getaways and cultural meccas, Upland is conveniently tucked against the base of the picturesque San Gabriel Mountains. It is bordered by the bustling communities of Rancho Cucamonga to the east, Ontario and Montclair to the south and Claremont to the west.

Upland sits at the region's transportation hub, intersected by two major interstate freeways and the Metrolink commuter rail system with a station in the city's historic downtown. World-famous Route 66 traverses through the center of town, while scenic Euclid Avenue is the north-south corridor from the mountains to Riverside and Orange counties. Ontario International Airport is just a stone's throw away, and Upland is easily accessible to Southern California destinations such as Disneyland, Dodger Stadium, Angel Stadium, Staples Center, the Los Angeles Memorial Coliseum and other major sports, arts, shopping and entertainment venues – many of which will be heavily utilized before and during the 2028 Olympic Games in Los Angeles.

Two central shopping malls –Victoria Gardens in Rancho Cucamonga and the Ontario Mills Mall – can be found along the adjacent freeway corridors. Hospitality is plentiful throughout the immediate area, offering everything from five-star hotels to quaint bed-and-breakfast lodging.

California's wine industry was actually born in the region, and the state's citrus industry thrived in Upland, where historic packing houses continue to grace downtown along the railroad tracks. Those locations and adjacent properties offer prime real estate for future development in Historic Downtown Upland, where people gather to shop, to eat and to participate in public activities, such as the Downtown Farmer's Market and the annual Lemon Festival. The mix of commercial and residential uses, performing arts theater, centralized gazebo and historic architecture creates a vibrant and pedestrian-friendly environment.





POPULATION	CITY OF UPLAND	3 MILES	5 MILES
2000 Total Population	68,556	152,915	348,741
2010 Total Population	73,732	162,121	368,647
2018 Total Population	78,001	170,953	389,277
2023 Total Population	80,911	177,003	403,807
2018-2023 Annual Rate	0.74%	0.70%	0.74%
Total Households	27,144	54,106	119,790
DATA FOR ALL BUSINESSES IN AREA			
Total Businesses	3,336	5,728	13,688
Total Employees	28,401	53,937	144,358
Total Residential Population	78,001	170,953	389,277
Employee/Residential Population Ratio (per 100)	36	32	37
Labor Force By Occupation - White Collar	63.4%	56.0%	57.0%
Labor Force By Occupation - Blue Collar	17.1%	24.4%	24.7%
MEDIAN AGE			
2018 Median Age	37.4	34.9	34.2
MEDIAN HOUSEHOLD INCOME			
2018 Median Household Income	\$71,952	\$63,625	\$65,428
2023 Median Household Income	\$83,274	\$74,502	\$76,472
2018-2023 Annual Rate	15.7%	17.1%	16.8%
AVERAGE HOUSEHOLD INCOME			
2018 Average Household Income	\$98,338	\$86,529	\$90,023
2023 Average Household Income	\$115,609	\$101,265	\$105,431
2018-2023 Annual Rate	17.5%	17.4%	17.1%
PER CAPITA INCOME			
2018 Per Capita Income	\$34,573	\$27,690	\$28,184
2023 Per Capita Income	\$40,464	\$32,271	\$32,839
2018-2023 Annual Rate	17.0%	16.5%	16.5%

Retail sales leakage

INDUSTRY GROUP	RETAIL GAP	LEAKAGE/SURPLUS FACTOR*
Automobile Dealers	\$86,515,938	33.9
Furniture Stores	\$15,236,095	59.8
Electronics & Appliance Stores	\$13,281,665	20.7
Health & Personal Care Stores	\$18,897,616	15.0
Clothing & Clothing Accessories Stores	\$45,486,404	42.3
General Merchandise Stores	\$15,326,545	4.6

* The leakage factor is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus)



Upland Retail

Projects

Sycamore Hills Plaza 210 Freeway & Baseline Road

Sycamore Hills Plaza is Upland's newest commercial-residential center anchored by a Whole Foods 365 Market and numerous popular and trendy restaurants and retail stores, including CVS Pharmacy, Starbucks, MOD Pizza and Jersey Mike's. The Sycamore Hills Plaza project features a 10-acre neighborhood commercial center located at the northeast intersection of Baseline Road and the I-210 Freeway. Approximately 2.4 acres of the project are located in the city of Claremont and the remaining 7.6 acres are in the city of Upland. The commercial center consists of approximately 78,000 square feet of retail space, of which 61,710 square feet are located in Upland.

- ±100,000 square-foot regional high end grocery anchored center
- Premier development along Interstate 210 and Baseline Road
- Anchored by the first Whole Foods 365 in the Inland Empire & only the second in California
- Daily traffic counts in excess of 164,000 cars per day
- Adjacent to 400 home residential development
- Close proximity to the prestigious Claremont Colleges



For Additional Information Contact:
 Ryan Gast: 909-418-2129
ryan.gast@cbre.com

Available: 1,337 SF

Upland Retail

Projects

Redhill Plaza 1386-1490 E. Foothill Boulevard

- Newly remodeled, modern look
- Rare approved Drive-Thru, 2,274 SF
- Close to San Antonio Regional Hospital
- On the historic Route 66 corridor
- Signalized intersection
- Monument Signage Available
- Ample Parking
- High traffic area



For Additional Information Contact:
Mark El-Tine: 909-992-3255
invest@markeltine.com

Available: 1,433- 10,494 SF

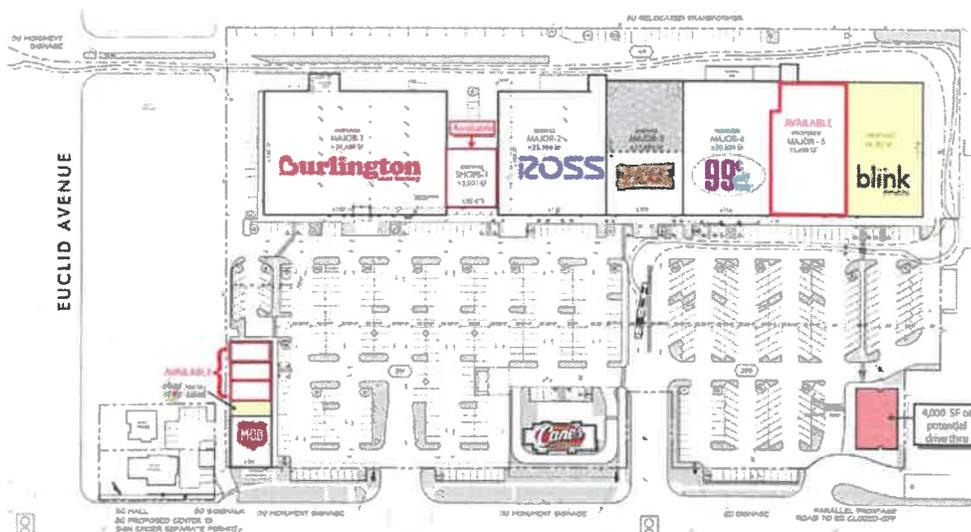
Upland Retail

Projects

Upland Village NEC Euclid Avenue & Foothill Boulevard

Upland Village is a 12.9-acre shopping center located at Foothill Boulevard and Euclid Avenue. New owner Wood Investments Inc. is revitalizing the 153,000-square-foot shopping center into a vibrant retail center. The first phase of the project includes the addition of Ross Dress for Less, Burlington, and Raising Cane's Restaurant. Going forward, the site will complement a vibrant retail experience for the surrounding community.

- Located in the heart of the Upland trade area
- Dense in-fill location with more than 167,209 residents and 48,635 employees within three miles
- Nearby retailers Sprouts, Marshalls, 24-Hour Fitness, CVS, Vons
- More than 52,000 cars per day on Foothill Boulevard and Euclid Avenue
- New tenants: Burlington, Ross Dress for Less, Raising Cane's, Chop Stop and MOD Pizza



For Additional Information Contact:
 Tom Breen: 310-8171 ext. 233 tbreen@epsteen.com
 Sam Yourman: 310-451-8171 ext. 228; syourman@epsteen.com

Available: 3,500 to 15,498 SF

Upland Retail

Projects

Mountain Green Shopping Center 357 S. Mountain Avenue

Come join ALDI, CVS, Michael's, Dunkin' Donuts, Sally's Beauty, Jamba Juice, Jersey Mike's, Redwing Shoes, Handel's Ice Cream, GNC, Sprint and more!

- Retail/Medical opportunity
- Grocery & drug anchored daily needs center
- One of the highest performing centers in the area
- Impressive traffic counts & daytime population
- Ample parking with access from all streets
- National co-tenants & first class management
- Excellent signage opportunities



For Additional Information Contact:
 Terrison Quinn: 949-698-1107; terrison.quinn@srsre.com
 Casey Mahony: 949-698-1108; casey.mahony@srsre.com
 Adam Handfield: 949-698-1109; adam.handfield@srsre.com

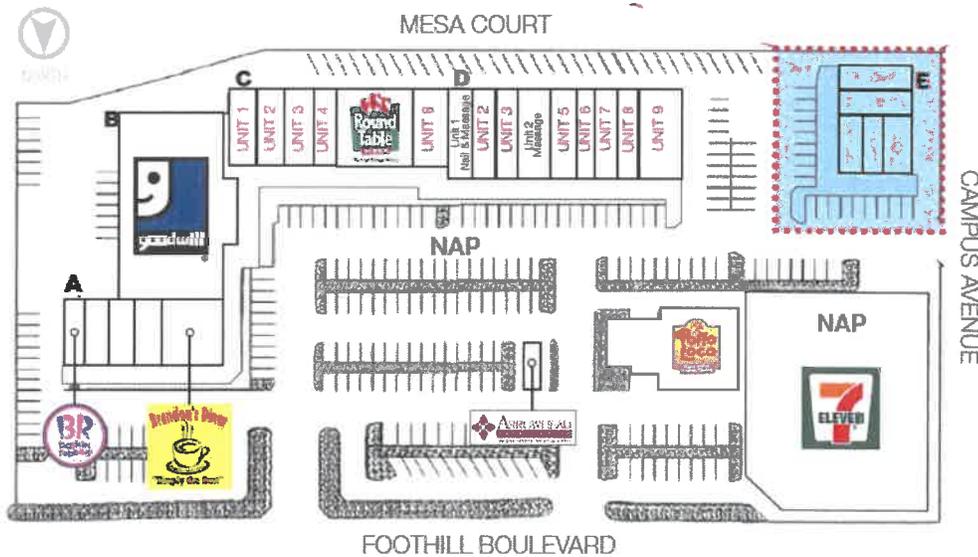
Available: 645-2,170 SF

Upland Retail

Projects

Upland Country Village 780-870 E. Foothill Boulevard

- Great visibility along North Campus Ave.
- Near signalized intersection of Foothill Blvd. & North Campus Ave.
- Join El Pollo Loco, Round Table Pizza, Brandon's Diner, Goodwill, Baskin Robbins and many more.
- Adjacent to CVS, 7 Eleven, Shakey's Pizza, Carl's Jr. and other franchised retailers
- Close proximity to San Antonio Community Hospital and several medical complexes



For Additional Information Contact:
 Mario Alvarez Jr.: 909-945-2339; malvarez@naicapital.com
 Skip Crane: 909-243-7654; skipcrane@naicapital.com

Available: 1,000-2,900 SF

Upland Retail

Projects

Village Grove Shopping Center 1401 E. Foothill Boulevard

Village Grove Shopping Center is a well established, nine building, 156,497 square foot Walmart Neighborhood Market Anchored shopping center with an excellent mix of local, regional and national tenants. The property features superb street visibility and flexible zoning along the Historic Route 66.

- Convenient access to greater Los Angeles, Orange County and Inland Empire Regions
- 52,546 Daytime employees within a 3 mile radius
- Marquee monument and building signage available
- Abundant parking to accommodate a variety of retail, medical and office uses
- Tenant improvements available
- High foot traffic property with neighboring residential



For Additional Information Contact:
Eric Ramirez: 909-223-9540; ericr@milleniacommercial.com

Available: 1,453-5,304 SF



Jeannette Vagnozzi
City Manager
jvagnozzi@ci.upland.ca.us

Robert D. Dalquest, AICP
Development Services Director
rdalquest@ci.upland.ca.us

Melecio Picazo
Economic Development Coordinator
mpicazo@ci.upland.ca.us

Debbie Stone
Mayor (At Large)
dstone@ci.upland.ca.us

Janice Elliott
Mayor Pro Tem (District 2)
jelliott@ci.upland.ca.us

Ricky Felix
Councilmember (District 3)
rfelix@ci.upland.ca.us

Rudy Zuniga
Councilmember (District 4)
rzuniga@ci.upland.ca.us

Bill Velto
Councilmember (At Large)
bvelto@ci.upland.ca.us

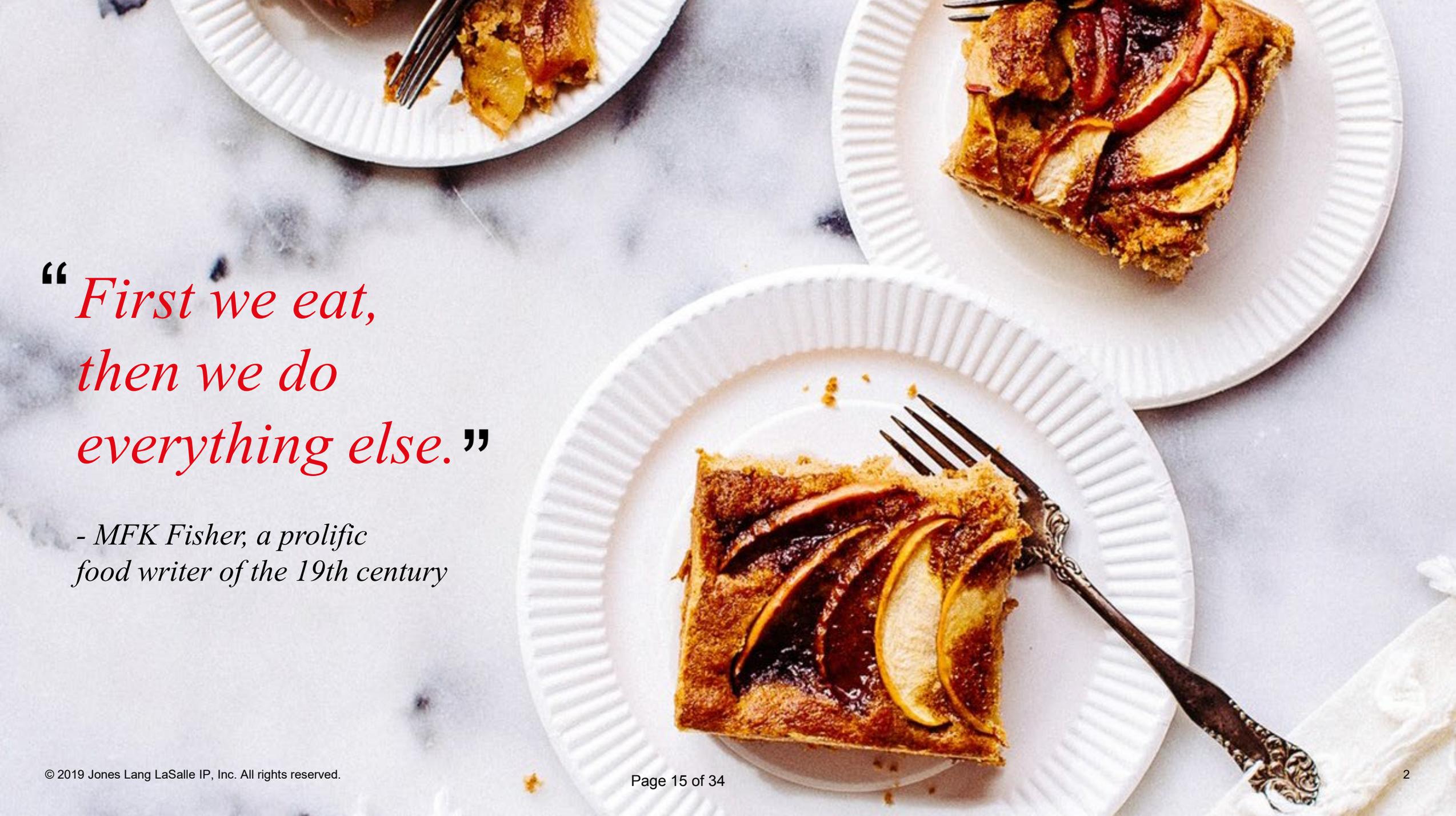
An overhead photograph of a restaurant table with several people seated around it. The table is set with white plates of food, including salads, pasta, and a large pizza. There are also glasses of water and wine, and silverware. The background is a wooden wall.

City of Upland

Restaurant & Retail Update

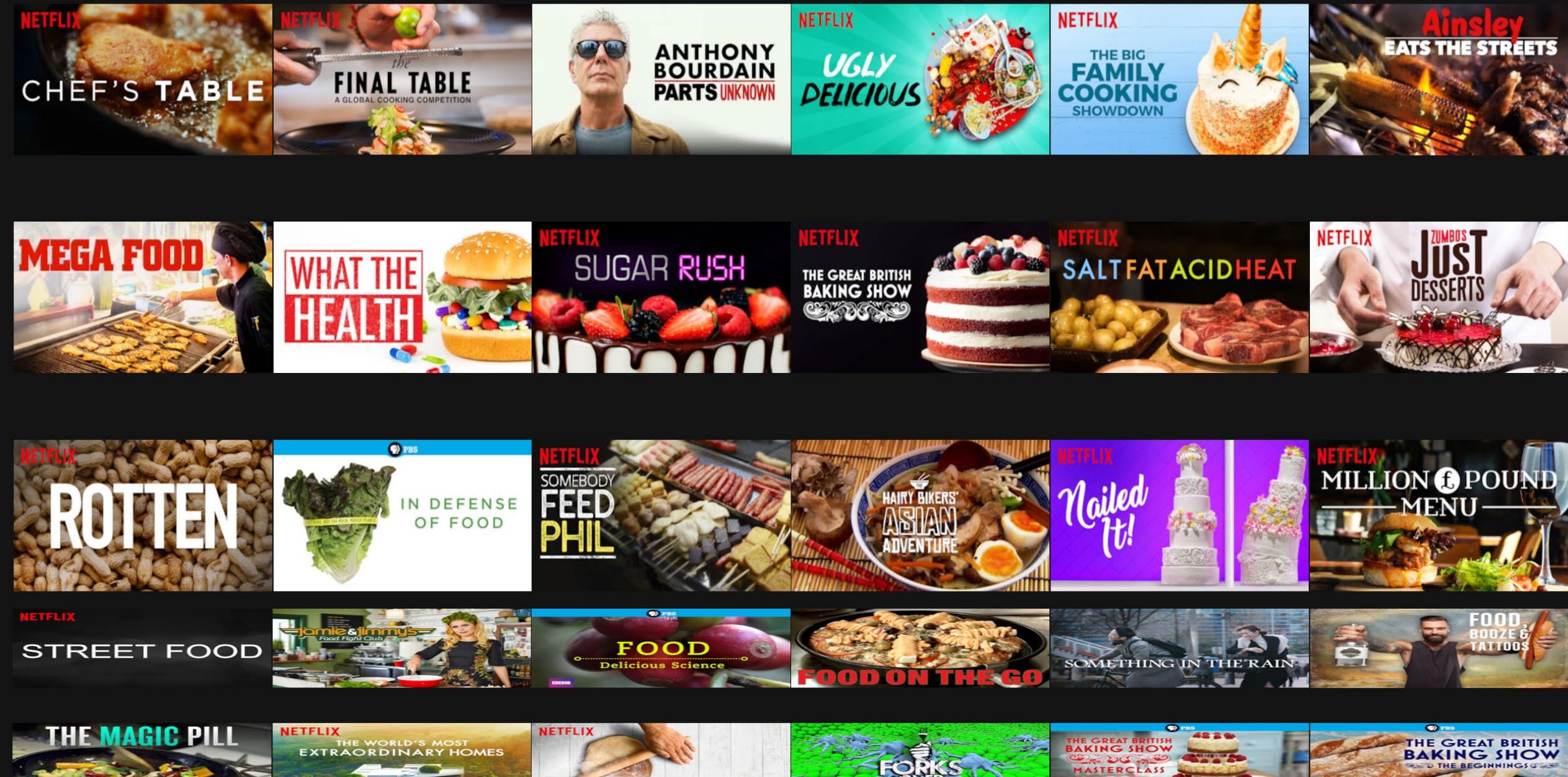
Presented by:
Erik Westedt & Blake Kaplan

June, 2019



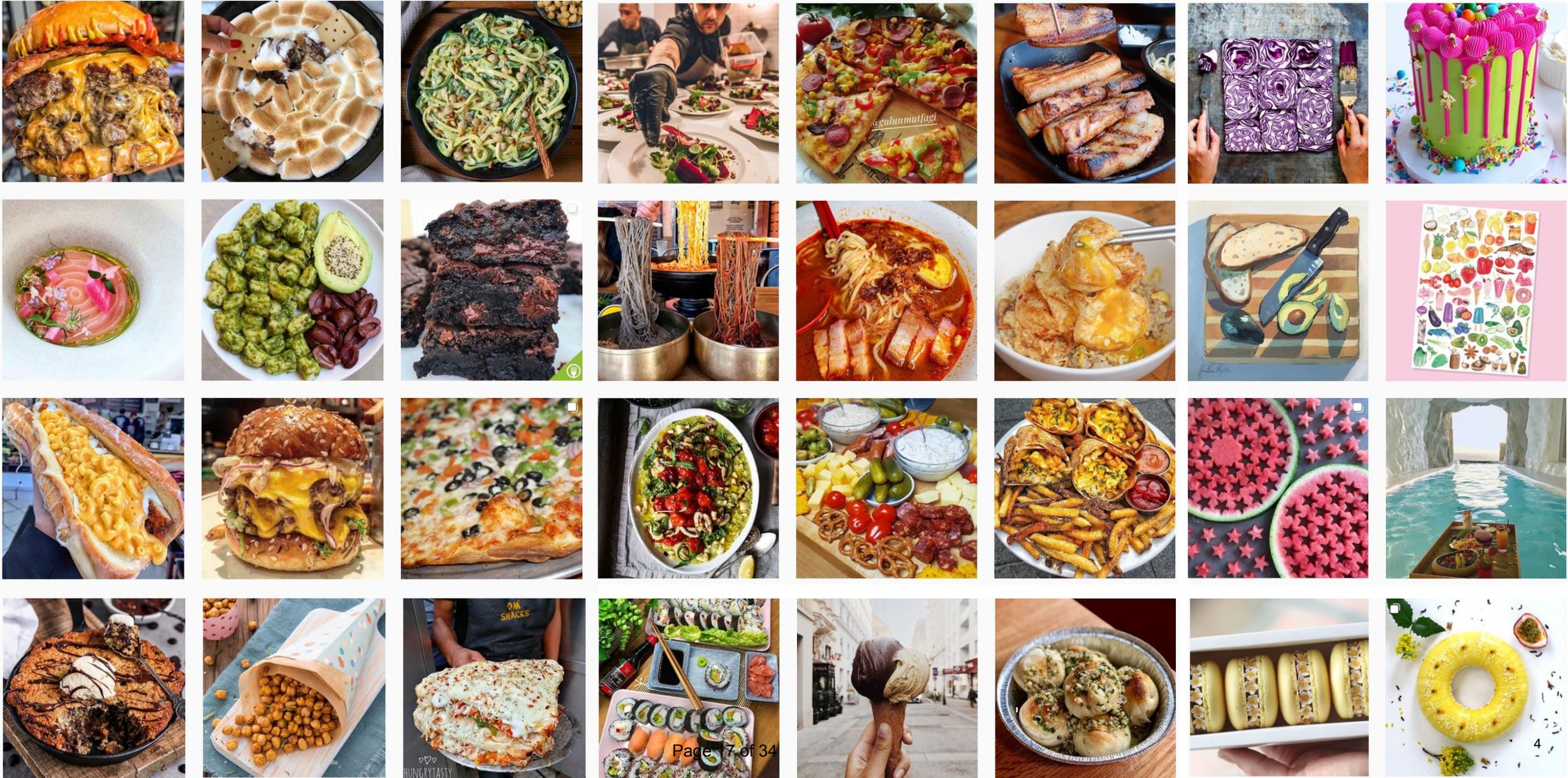
*“First we eat,
then we do
everything else.”*

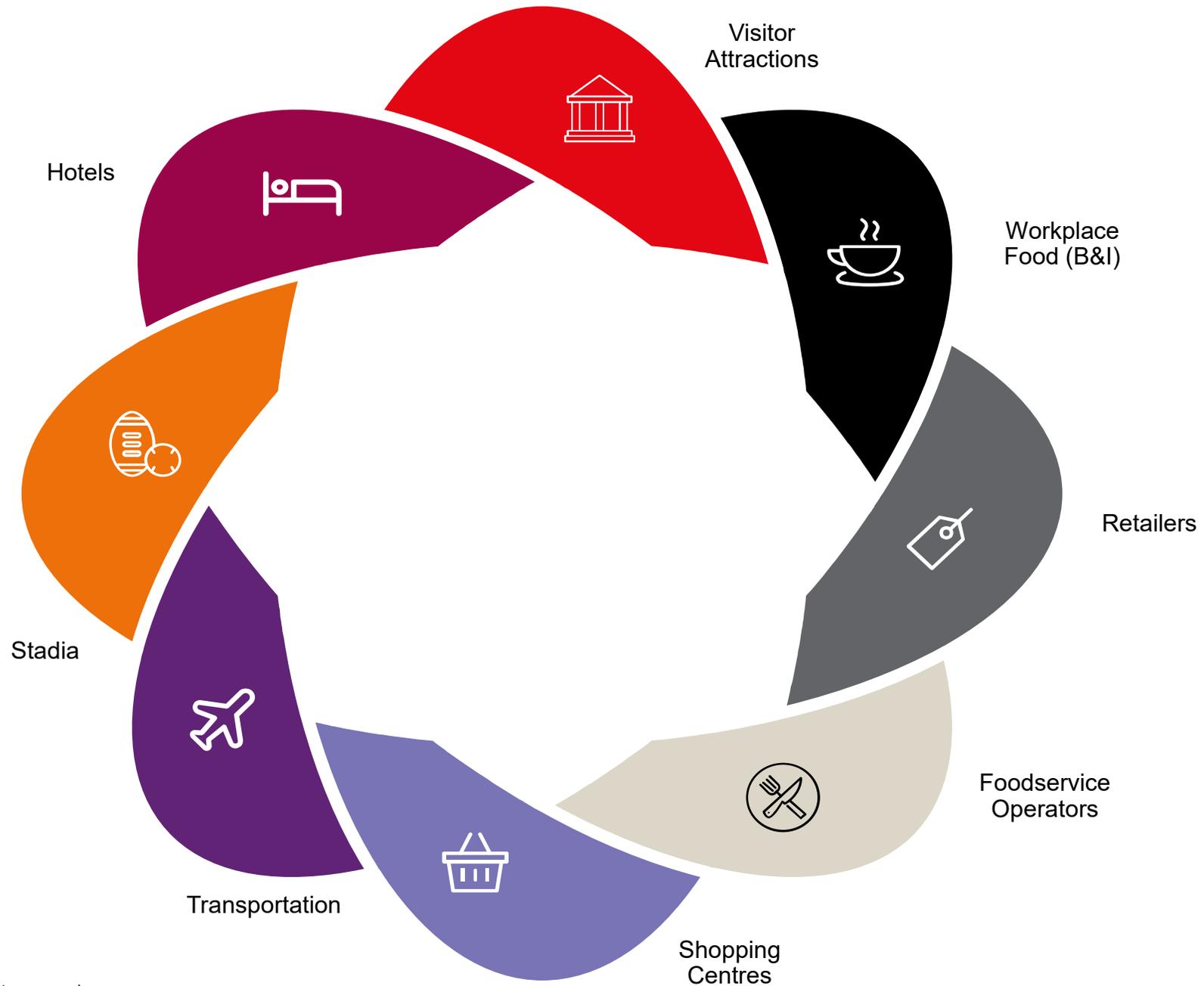
*- MFK Fisher, a prolific
food writer of the 19th century*



Food is omni-present. Consumers can get meals whenever and wherever they like.

The Impact of Social Media on CRE

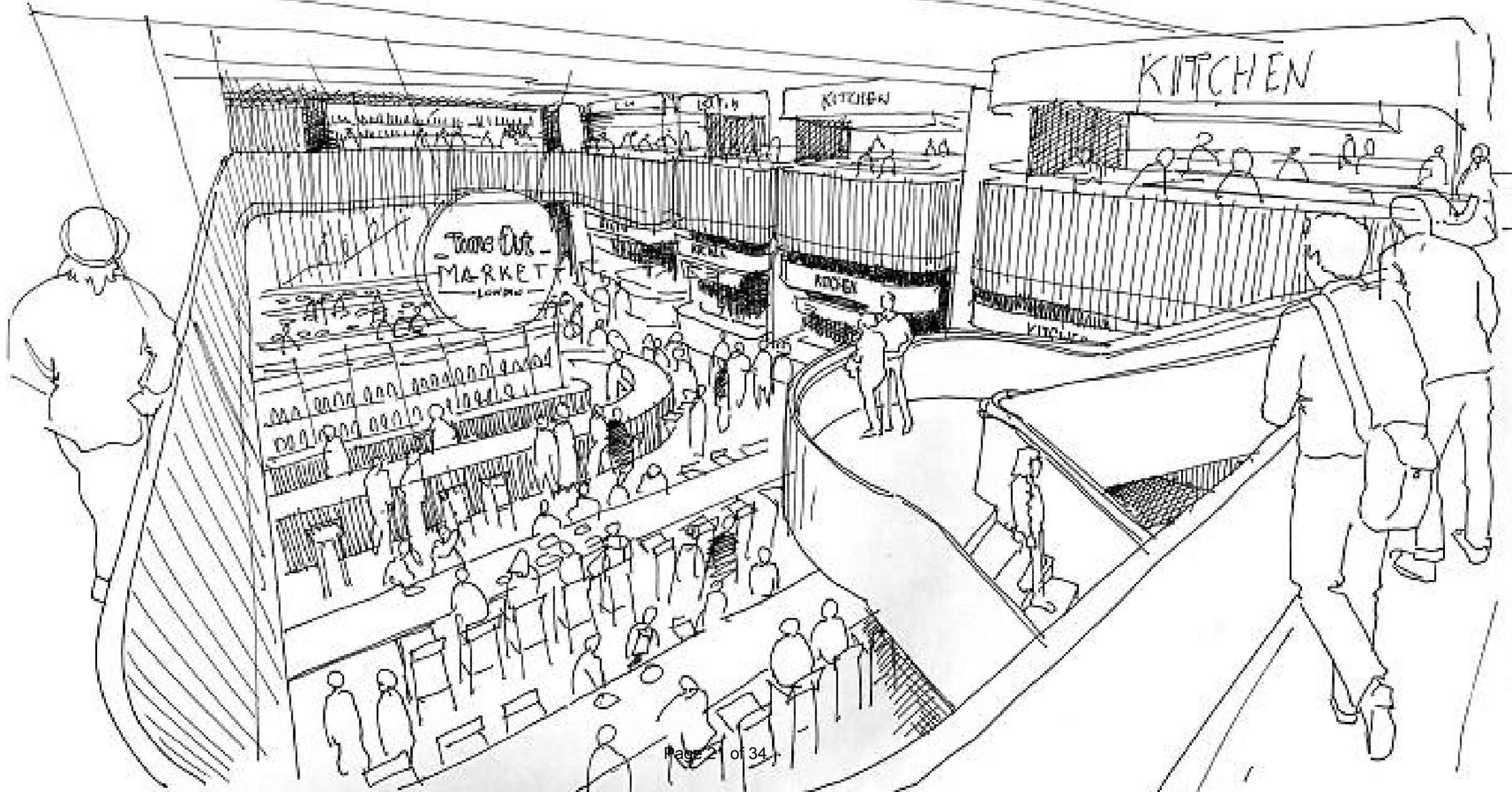






The buzzword is not only the food and beverage industry but the entire retail industry is “experiences”.

There are expected to be more than 300 food halls in the US by 2020



So what do high-tech darts, private karaoke and dog parks have in common?

EAT
DRINK
SING
REPEAT

They're just a few of the concepts in the growing RestaurantAINMENT category.

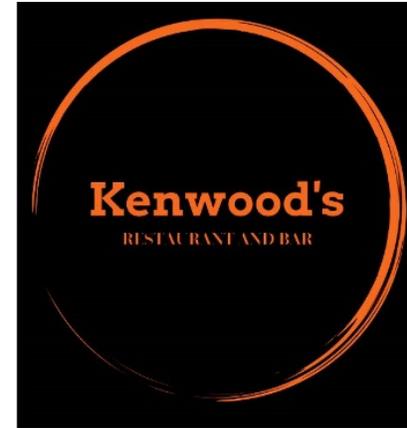
The Importance of Convenience & Technology in F&B



8 Factors for Choosing a New Restaurant Location

1. Visibility
2. Parking
3. Space Size
4. Crime Rates
5. Surrounding businesses & competitor analysis
6. Accessibility
7. Affordability
8. Safety

Specific Restaurant Examples



Shopping Center Overview



City of Upland Shopping Center Overview



Incorporated in 1906

Upland Retail

Projects



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For Additional Information Contact:
Tom Breen: 310-8171 ext. 233 tbreen@epsteen.com
Sam Yourman: 310-451-8171 ext. 228; syourman@epsteen.com

Available: 3,500 to 15,498 SF

Bongiovanni Property



Sycamore Hills Plaza

I-210 & Baseline Rd.



Upland & Country Shopping Center



SWC Euclid Ave. & Foothill Blvd..



Red Hill Plaza



SWC Foothill Blvd. & Grove



MERCHANT VOID ANALYSIS

Lat/Lon: 34.1065/-117.6307

1398 E Foothill Blvd
Upland, CA 91786

Auto Parts Tires

	Closest Location	Locations In 3 mi radius	Locations In 6 mi radius
AAMCO		1	2
America's Tire		1	4
AutoZone		3	9

Big O Tires	Wells Fargo	2	11
CARQUEST	Zions First National Bank	1	2

Banks Minor

Goodyear	Bank	6	19
Jiffy Lube			
Lee Schwab Tires	Barnes & Noble	3.78 MI SW	0
NAPA	Deseret Book		1

Book Stores

O'Reilly			
Pep Boys			
Quick Lane			

Clothing Apparel

Bank of America	Abercrombie & Fitch	Gap	5.11 MI SE	0	2
Bank of the West	Aeropostale	Gymboree	3.89 MI SW	0	3
Banner Bank	American Eagle Outfitters	H And M	3.92 MI SW	0	3
Chase Bank	Ann Taylor Factory	Hollister Co.	3.89 MI SW	0	3
Citibank	Ann Taylor Loft	J. Jill	5.56 MI NE	0	1
Comerica Bank	Anthropologie	Jos. A. Bank	5.56 MI NE	0	1
Compass Bank	Avenue	Justice	3.84 MI SW	0	3
East West Bank	Barana Republic	Kate Spade	5.06 MI SE	0	1
Rabobank	Buckle	Lane Bryant	5.73 MI NE	0	1
	Carters	Lucky Brand Jeans	4.94 MI SE	0	2
	Catherines	Lululemon	5.59 MI NE	0	2
	Charlotte Russe	Men's Wearhouse	3.60 MI SW	0	2
	Chicos	New York & Company	3.81 MI SW	0	3
	Coach	Nordstrom Rack		1	2
	Older's DISCOUNTS	Old Navy	3.50 MI NE	0	2
	Express	PacSun	3.88 MI SW	0	3
	Forever 21	Saks OFF 5TH	5.02 MI SE	0	1
	Fossil	The Childrens Place	3.88 MI SW	0	3
		Tilly's		1	4
		Urban Outfitters	5.75 MI NE	0	1
		Victoria's Secret		1	4
		White House Black Market	5.55 MI NE	0	1

Computers Electronic

Apple Store		5.57 MI NE	0	1
Best Buy			1	3

Drive Shack



Thank you



STAFF REPORT

ITEM NO. 14.A.

DATE: June 10, 2019
TO: MAYOR & CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROSEMARY HOERNING, ACTING CITY MANAGER
RICHARD SMIDERLE, OPERATIONS MANAGER
SUBJECT: POLICE DEPARTMENT INTERIOR PAINTING

RECOMMENDED ACTION

It is recommended that the City Council award the Police Department Interior Painting Project to Quad County Painting, Inc. in the amount of \$126,315.

GOAL STATEMENT

The proposed action supports the City's goal in maintaining and assuring that public building facilities are in good condition and safe for the public and employee use.

BACKGROUND

The Police Department building is in use 24 hours a day, 7 days a week. The existing building interior wallpaper and paint is 30 years old. There is evidence of aging, wear and tear. This maintenance effort is required to restore the building interior walls.

As part of the FY 2018-19 mid-year budget review, an amount of \$117,250 was appropriated for the Police Department interior painting project.

On March 15, 2019 City of Upland operations staff solicited requests for proposals for the police building interior painting. On March 20, 2019, staff conducted a job walk through with four prospective proposers. Staff received three maintenance proposals from painting contractors, as follows:

Contractor	Amount
Quad County Painting	\$126,315.00
Parker's Painting	\$127,545.96
Waddell Painting	\$419,760.00
Eric & Company	Declined

Quad County Painting, Inc. was selected as the lowest responsible bidder. Quad County Painting, Inc. is a reputable painting vendor whose references have been verified for professionalism, quality and competency to complete the required project to city standards.

ISSUES/ANALYSIS

The Police Department interior facility paint condition is in a state of decline due to routine wear, scuffs and overall age. This project will improve the overall aesthetic appearance of the interior of the facility.

FISCAL IMPACTS

As a result of the mid year budget adjustment, sufficient funds are available in Fund 754-3201.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

P.D. Painting Packet



MEMORANDUM

TO: Rosemary Hoerning, Public Works Director
 FROM: Richard Smiderle, Operations Manager
 DATE: Tuesday, May 28, 2019
 RE: **Purchase Order Request – Quad County Painting, Inc.**

A Purchase order is requested for the following contractor, regarding: Police Department Interior Painting. **Quad County Painting, Inc. Total P.O. Amount \$126,315.00**

Project Background:

In accordance with the City's purchasing and procurement policy, it is recommended that the City Council approve the retention of Quad County Painting Inc. on June 10 th , 2019.
The Police Department interior facility paint condition is in a state of decline due to routine wear & scuffs & overall age. Maintaining asset protection and management to ensure all infrastructure are effectively maintained, renewed and replaced, it is recommended that a repainting project be approved which will additionally benefit the aesthetic appearance of the facility as well.

Vendor Information:

Name of Vendor	Quad County Painting, Inc.
Vendor Address	637 S. Palm Street, Unit F, La Habra, CA, 90631
Vendor Number	657

Client Information:

Name of Client	City of Upland Public Works Dept.
Client Address	460 N. Euclid Avenue, Upland, CA 91786

Funding Information:

Public Works	Police Department	Acct. No.	754-3201-5245	\$126,315.00
Total PO \$				\$126,315.00

Procurement Information:

Bidder #1	Quad County Painting, Inc.	\$126,315.00
Bidder #2	Parker's Painting	\$127,545.96
Bidder #3	Waddell Painting & General Contracting	\$419,760.00
Bidder #4	Eric & Company, Inc. (Job Walk Only)	Declined to Quote.

Approvals:

Reviewed	Rosemary Hoerning, Public Works Director	Signature:
Approved	Finance Department	Signature:



REQUEST FOR QUOTATION

DATE: March 15, 2019

PROJECT NAME: Police Department – Interior Painting Project.

PROJECT ADDRESS: 1499 W. 13th Street, Upland, CA. 91786

SCOPE OF WORK: Interior Painting & Wallpaper Removal.

Details:

All quotes are to include “Prevailing Wage” rates.
Painting contractor responsible for moving furniture and/or office items to accommodate painting process.
Contractor to protect flooring materials & unpainted surfaces.
Remove & reinstall hardware as needed.
Removal ALL wallpaper / Skim coat & texture as needed / seal new wall texture with Zinserr 123 Primer.
One main color & one trim color.
Prepare surfaces for paint – Sanding, patching, caulking.
Contractor responsible for daily worksite cleanup and waste disposal.
One (1) phase project.

Quote Areas:

1st Floor & 2nd Floor – All current painted surfaces including ceilings that are drywall/painted.
All door casings (120), including holding rooms, All doors (35), all window casings (182), all handrails & display cases. All stairwells (4). Elevator doors & frames (3), access ladders & vents, Guard rails in lobby.

Paint Product Details:

Apply two (2) coats of Dunn Edwards “Spartawall 30” eggshell finish to all walls / ceilings.
Apply one (1) coat of Dunn Edwards “Ultra Shield Specialty” primer to bare metal surfaces.
Apply two (2) coats of Dunn Edwards “Aristoshield 50” urethane alkyd semi-glass finish to the “Green Trim” areas.
(Including – windows /doors / frames / hand rails / vents / elevator doors / 1st floor Formica).

Additional Items:

None.

Project Site Walk:

A one time, site walk will be scheduled for all interested contractors for the purpose of information gathering and overall project expectations.

City of Upland – Public Works

1370 N. Benson Avenue, Upland, CA 91786 – (909) 291-2900 – www.ci.upland.ca.us
Operations Manager – Richard Smiderle Rsmiderle@ci.upland.ca.us
Facilities Coordinator – Rick Leblanc Rleblanc@ci.upland.ca.us



STAFF REPORT

ITEM NO. 14.C.

DATE: February 25, 2019
TO: MAYOR AND CITY COUNCIL
FROM: JEANNETTE VAGNOZZI, CITY MANAGER
PREPARED BY: LONDA BOCK-HELMS, CPA, FINANCE OFFICER
SUBJECT: MID-YEAR BUDGET FY 2018-19 REVIEW

RECOMMENDED ACTION

It is recommended that the City Council take the following actions:

- Receive and file the Mid-Year Budget Report for Fiscal Year 2018/19 (Attachment 1);
- Approve the Proposed Mid-Year Adjustments detailed on Attachment 2;
- Provide staff with direction regarding committing unreserved/undesignated fund balance.

GOAL STATEMENT

The proposed action supports the City's goal to provide fiscal stewardship for the City of Upland.

BACKGROUND

Between January and March each year, staff presents to the City Council and the citizens of Upland, a mid-year budget report. This report focuses on financial results through December 31, 2018, the end of the second quarter of the 2018-19 fiscal year. As part of this review, staff recommends changes to the budget based upon new information resulting from events that occurred thus far within the fiscal year, but were not included in the adopted budget. The focus of the Mid-Year review will be on the General Fund, as illustrated in Attachment 1.

ISSUES/ANALYSIS

In June 2018, the City Council adopted an operating and capital improvement budget for fiscal year 2018-19 that included \$110,435,580 in revenue and \$135,312,540 in expenditures.

City of Upland
 Mid-Year Budget Review
 FY 2018-19

Attachment 2

Operating Revenues:

Approved Budget FY2018-19 Estimated Revenue and Available Sources	\$	41,180,920
Approved Budget Adjustments 7-1-2018 to 12/31/2018		<u>14,301</u>
		41,195,221

Recommended Mid-Year Budget Adjustments:

Transfer In from Water Fund	\$	431,166	
Transfer In from Refuse Fund		75,194	
Transfer In from Sewer Fund		189,554	695,914
Total	\$	<u>695,914</u>	

Projected Operating Revenues/Sources 6/30/2019 **\$ 41,891,135**

Operating Expenses:

Approved Budget FY 2018-19 Expenditures	\$	40,924,710
Approved Budget Adjustments 7-1-2018 to 12/31/2018		<u>189,942</u>
		41,114,652

Recommended Mid-Year Budget Adjustments:

Transfer to Building Maintenance Fund:

Exterior painting	\$	36,000	
War Bag lockers		26,000	
Interior painting		117,250	
Total	\$	<u>179,250</u>	179,250

Projected Operating Expenditures/Uses 6/30/2019 **\$ 41,293,902**

General Fund Operating Surplus/(Deficit) **\$ 516,664 \$ 597,233**

General Fund fund Balance June 30, 2018 (audited) **\$ 14,232,842**

Mid-Year General Fund Operating Surplus/(Deficit) 597,233

Estimated Fund balance at 6/30/2019 **\$ 14,830,075**

Current Designations:

Inventory and Prepaid Items	\$	48,121	
Notes Receivable		16,748	
Reserve for PARS 115 Pension Trust		6,175,389	
Disability Access Fees		33,886	
Facility Fuel Island Repair		50,000	
Mildura Conference Room HVAC		15,000	
Library Power System Upgrade		150,000	
Magnolia Center Rehabilitation		250,000	
Memorial Park Improvements		140,000	
Legal/Labor/Negotiations		450,000	
Operating Reserve (17.5% of \$40,924,710 (adopted budget))		<u>7,161,824</u>	14,490,968

Undesignated/Unreserved Fund Balance **\$ 339,107**

Recommended Mid-Year Fund Balance Designations:

None -

Projected Undesignated/Unreserved Fund Balance at 6/30/2019 **\$ 339,107**



License #889680

637 S. Palm St., Unit F, La Habra, CA 90631, phone (714) 253-3832, fax (714) 253-3836

May 7, 2019

City of Upland
1370 North Benson Ave.
Upland, CA 91786

Attn: Rick/Richard

Re: Proposal for painting – Upland Police Department
1499 West 13th St.
Upland, CA 91786

We propose to furnish all material, equipment, and labor necessary to prepare and complete the following:

Project Name – Police Department Interior Painting

Scope – RFQ Dated March 15th, 2019: Protect, prepare, and re-paint the following areas with new color scheme. Prevailing wage rates apply.

Interior:

- 1) Drywall ceilings & soffits – 3,900 SF
- 2) Interior walls – 39,980 SF
- 3) Doors – (35) ea
- 4) Door frames – (120) ea
- 5) Windows – (182) openings
- 6) Stairwells – (4) ea
- 7) Reveals at formica
- 8) Elevator doors & frames – (3) ea
- 9) Access ladders and misc vents
- 10) Remove wallcovering and float wall smooth at training room
- 11) Remove wallcovering and retexture walls at conference room
- 12) Guard rails at lobby – 110 LF

Exclusions: T-bar ceilings, floors, premium time and accelerated work schedule, tackable/sound w/c panels, moving of personal items, R&R crash rails at corridor, and no clear finish on wood trim, w/c at records & dispatch room, formica in elevators, display cases interior

Total Proposal Amount	\$67,250.00
<i>Alt #1 – Remove wallcovering and paint additional walls at interior...</i>	<i>add \$49,565.00</i>
<i>Alt #2 – Move small furnishings & desks, and replace</i>	<i>add \$9,500.00</i>
<i>*Corridor walls after removing w/c float smooth (no texture)</i>	
Total Proposal Amount Including Alternates	\$126,315.00

Respectfully Submitted,

QUAD COUNTY PAINTING, INC.
 DIR #1000014218

 Proposal Accepted/Date

Project Manager: Rocky Mundt – VP
 Email: josh@quadcountypainting.com
 Phone Number: 562-755-1461



#95 Richard Smiderle

- Commercial Interior

Parker's Painting

Welcome

About Us

License & Insurance

Proposal

Agreement

Right to Cancel

TIP Use the ← and → arrows below to turn the page and learn more.

← Turn Page →

Proposal

Interior

	NEW COLOR UNITS/QTY	#COATS	COST
Interior 1 Materials: Dunn Aristosheild semi: Notes: Interior Prep and paint all door casings with hybrid paint. (including holding rooms) Prep and paint any previously painted doors with hybrid paint. Prep and paint all windows with hybrid paint. Prep and paint all handrails and display case with hybrid paint.	1.00	2	\$25,973.50
Interior 2 Materials: Dunn Spartawall eggshell: , Dunn Ultra grip: Notes: Conference room Strip wallpaper off walls,skim walls,prime and paint walls and ceiling .	1.00	3	\$3,801.00
Interior 3	1.00	2	\$33,892.25

NOTES.

Paint Walls and ceilings in lobby/stairwell and landing.

Paint walls in the following areas-training room,small kitchen,interview hallway,probation office,Reception area, records office, IT office, break room, pooles office,Dispatch kitchen, watch commander office, traffic office, holding cells, equipment room, evidence office, evidence holding, lab, sergeants office, report room, briefing room, Code enforcement, Prosecutors office, janitorial closet, crows office, women's locker room, men's locker room, hallway, sauna room, towel room, gym, stairwell to basement, stairwell the second floor, chief assistance office, administrative commander office, Second stairwell, janitorial closet 2, upstairs break room, coordinators office, detective bureau, kitchen and closet, conference room, IDC office, office, basement hallway, stairwell, gun cleaning room, range walls.

Paint public restroom ceiling's.

Paint three interview room ceilings.

Interior 4	1.00	2	\$2,787.40
Materials:			
Dunn Spartawall eggshell:			
Notes:			
Training room-remove wallpaper on one wall,smooth and paint .			

Interior 5	1.00	1	\$57,015.00
Remove wallpaper on the remaining walls. Skim,texture and paint walls to match.			

Materials			\$2,823.58
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INTERIOR SUBTOTAL			\$126,292.73
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LABOR	\$123,469.15
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TAX	\$0.00
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MATERIALS	\$3,783.58
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TAX	\$293.23
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GRAND TOTAL	\$127,545.96
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Prevailing wage



Phone: (909)-980-4059

Fax: (909)-987-6660

www.waddellpainting.net

License Classification B, C-33 #830867

Proposal / Contract

Bid: R1903-1414

Proposal Submitted To:

City of Upland

Street:

1499 W 13th St.

City, State, Zip:

Upland, CA 91786

Contact/Email:

Richard Smiderle

Rsmiderle@ci.upland.ca.us

Date:

3-20-19

Phone:

909-291-2940

Project Description:

Upland Police Department

Project Information:

1499 W 13th St.

Upland, CA 91786

We hereby propose to furnish materials and labor necessary for the completion of the following:

Interior Painting as Follows: *1st and 2nd Floor - All Currently Painted Wall Surfaces - Drywall/Painted Ceilings, 12 Door Casings, 35 Doors, 182 Window Casings, All Handrails and Display Cases. 4 Stairwells. 3 Elevator Doors and Frames, Access Ladders and Vents, Guard Rails at Lobby. Exclude: Walls at Interview Rooms, Dispatch and Specialty Wall Panels per walk*

Remove All Wallpaper

Skim Coat & Texture as Needed

Seal All New Texture

Ceilings and Walls: Apply 2 Coats of Dunn Edwards Spartawall - Eggshell

Bare Metal: Apply Ultrashield Primer Coat as needed.

Metal/Green Trim: Apply 2 Coats of Dunn Edwards Aristoshield -Semi Gloss (Windows,Doors,Frames,Handrails,Vents,Elevator Doors,1st Floor Formica

\$419,760.00

Preparation to include Covering/Protecting Floors, Furniture...areas not to be painted. Caulk corners where wall meets ceiling and inside wall corners. Pole sand or wipe down walls as needed. Fill minor nail holes. Minor texture as needed to match as close as possible.

Payment Terms:

Progress Payment Schedule to be determined

Estimated Days for Completion:

References available upon request:

Insurance Certificate Available Upon Request

*Click above Link to view Insurance Certificate

Labor: 3 Year Guarantee on Interior Work

Product Warranty: See manufacturer warranty as per product used.

**All projects are subject to added charge for moving or relocating personal belongings*Additional work requested is subject to a time and material charge.*

All materials guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen Compensation insurance.

Signature & Date

ROBERT WADDELL

Signature & Date

9155 Archibald Ave., Suite 301
Rancho Cucamonga, CA 91730



2019

Prospective City of Upland Contractors:

Police Department Interior Painting Project.

Department of Industrial Relation Information Requirements. (D.I.R.)

- **D.I.R. Project ID: 284906.**

Contractor to provide information.

Project Information

- Project Name: Police Department Interior Painting.
- Description: Paint all Police Department Building Interior Walls.
- Project Amount: \$126,315.00
- Total Project Amount: \$126,315.00
- Description of Location: Police Department Building.
- Contractor Company Name: Quad County Painting, Inc.
- Contractor Classification: C33 Painting & Decorating Contractor
- Project Manager Name & Title: Rocky Mundt – Vice President.
- Project Manager Email: josh@quadcountypainting.com
- Project Manager Phone Number: 562-755-1461
- Contractor D.I.R. Registration Number: 1000014218
- Project Start Date: June 03, 2019
- Any Subcontractor(s) – D.I.R. Registration Number: N/A



STAFF REPORT

ITEM NO. 14.B.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROBERT D. DALQUEST, DEVELOPMENT SERVICES DIRECTOR
MELECIO PICAZO, ECONOMIC DEVELOPMENT COORDINATOR
SUBJECT: PROFESSIONAL SERVICES AGREEMENT EXTENSION FOR
ECONOMIC DEVELOPMENT CONSULTING SERVICES WITH JONES
LANG LASALLE BROKERAGE, INC.

RECOMMENDED ACTION

It is recommended that the City Council approve a one-year extension to the Professional Services Agreement (Agreement) with Jones, Lang, Lasalle Brokerage, Inc. (Consultant) and authorize the Acting City Manager to extend the term of the Agreement for coordinating, identifying and facilitating efforts relative to economic development of significant commercial properties within the City's boundaries.

GOAL STATEMENT

The proposed action is consistent with the City's goal to identify and foster continued economic development opportunities in the City.

BACKGROUND

The City has a well established economic development goal to encourage and increase private commercial, restaurant and retail investment in the City. Wide scale commercial investment will increase local sales tax revenue and provide City residents with new shopping, entertainment and dining options.

As of July 1, 2017, the City hired Jones Lang LaSalle Brokerage, Inc. (Consultant), to coordinate efforts for significant commercial properties within the City, to move developments and redevelopments forward, and drive new retailer interest.

In accordance with the Agreement, the City may extend the Agreement for two (2) one (1) year additional terms at the same rate, as described in the Agreement. On June 25, 2018, the

City Council approved a one year extension to the Agreement (1st additional term), consistent with the terms of the Agreement. Consultant's current Agreement is set to expire on June 30, 2019.

Therefore, in an effort to continue their efforts and the continuity that Jones Lang Lasalle have built with key commercial center owners and/or their brokers, staff recommends the City Council extend the contract with the Consultant to proactively seek commercial opportunities and financiers interested in investing in Upland. Therefore, staff is recommending to extend the term of the Agreement for the last remaining one year term (2nd additional term), consistent with the Agreement, as attached to this report.

The Consultant's services, as established in the existing Agreement's scope of services, encompass three main goals:

1. Determine Retailer/Restaurant Voids: Consultant will be responsible for updating the Gap Analysis and other research tools to determine sales tax leakage ranges for restaurants and retailers within the City. Consultant, in coordination with City Staff, will develop a Strategic Plan for Broker/City retail/restaurant attraction and retention efforts with an emphasis on developing a comprehensive solution that will benefit the City's tax base as a whole.
2. Increase Occupancy Through-out the City: Consultant will instigate, facilitate, coordinate and attend regular meetings with prospective commercial investors and broker efforts for commercial solicitation and retention in the City, as well as assist the City with marketing for ICSC and other industry events.
3. Strategy for Downtown Upland: Consultant will continue to assist City staff with a broad strategy to identify appropriate business tenants for Downtown Upland, ensuring profitability and vitality of the Downtown area.

ISSUES/ANALYSIS

As indicated previously, the Agreement is set to expire on June 30, 2019, and only one additional extension remains in the terms of the Agreement. Below is a detailed summary of the Consultant's accomplishments within the last year for the City Council's reference:

1. **Determine Retailer Voids** - Consistent with Goal 1, Consultant prepared a Gap Analysis and a Demographic Summary in 2017 (attached to this report) to determine sales tax leakage in Upland and presented it to the Economic Development Committee.
2. **Bongiovanni Property** Consistent with Goal 2, conducted a highest and best use analysis for the 49 acre vacant property (Bongiovanni property), north of Foothill Blvd. and west of Benson Avenue to work with staff in determining use alternatives that will generate the highest amount of revenue to the City. In addition, JLL facilitated the land lease between the Property Owners and the potential Developer and assisted in the master planning of the property. Supported the City in determining a sales tax guarantee. Worked with retail and industrial developers for the remaining buildings along Foothill Boulevard, to compliment the proposed development.
3. **Upland Village** - Consistent with Goal 2, assisted the leasing team for the Upland Village Shopping Center, located near the north east corner of Foothill Blvd. and Euclid Avenue and assisted them with tenant outreach and procurement. Once partnered with the leasing team, JLL aided in generating multiple offers, building a list of targeted uses, including securing two major corporate anchor tenants including Ross and Burlington. JLL was also directly involved in securing Chop Shop and met with Raising Cane's multiple times in regards to locating in the City. JLL will continue to collaborate with the

Property Owner and their leasing team to fully lease this center, as rehabilitation of the site is completed. Helping the ownership's brokers by creating an analytical approach to driving in new users to this property. This strategy by JLL has helped the center as confirmed by the ownership's brokers. JLL has sent multiple hot leads and provided contacts to new expanding concepts to the brokerage team. Recently, the brokerage team and JLL have been focusing on the shop space building, next to MOD Pizza.

4. **Sycamore Hills Plaza** - Whole Foods 365 within the Sycamore Hills Plaza was the strongest opening for the brand and JLL was directly involved in securing Whole Foods from the initial strategy to show the strength of the market through finalizing the lease. Consistent with Goal 2, JLL was also involved in every other restaurant and retail transaction finalized at the shopping center, including CVS, Starbucks, MOD Pizza, and Wendy's. Most recently, JLL negotiated with Chipotle for pad 4 and ownership signed Chipotle in January 2019. Working with the new ownership to lease the property with the goal of taking the center to 100% leased.
5. **Uptown and Country Shopping Center** - For the center anchored by Marshalls at the SWC of Foothill Boulevard and Euclid Avenue, consistent with Goal 2, JLL has scheduled multiple meetings with local Mexican operators for the vacant restaurant space, just west of Marshalls. JLL negotiated with a Mexican restaurant group for the former restaurant vacant space and signed a lease in January 2019. La Tapatia Restaurant submitted plans to the City for opening as soon as possible.
6. **Mountain Green Shopping Center** - JLL continued to work with several retailers who have expressed interest in the vacant former Kohl's building, consistent with Goal 2. JLL is currently working with a developer and tenants on an acquisition strategy.
7. **Boomers! Upland** - JLL presented the Boomers property to Drive Shack for review, consistent with Goal 2.
8. **Red Hill Shopping Center** - JLL prepared a void analysis for the recently upgraded Red Hill Shopping Center and met with the property manager for follow up and discussion, and to offer assistance with the leasing strategy. This is consistent with Goal 2.
9. **ICSC Convention** - Consistent with Goal 2, in preparation for International Council of Shopping Centers (ICSC) Las Vegas, JLL created a major shopping center leasing brochure that promotes and highlights the centers, provides site plans, shows available square footages, and provides broker contact information, to promote Upland availabilities to retailers during the convention. Some of the meetings JLL had at ICSC included: At Home, Bob's Furniture, Blink Fitness and Evergreen.
10. **Downtown Upland** - Consistent with Goal 3, Consultant prepared a Demographic Summary, Upland Development Map, and Trade Area Polygon Map, and Gap Analysis, as attached to this report, to assist in identifying appropriate businesses in downtown. Continuing to collaborate with staff to attract new Businesses and Developers to the Downtown, to implement the Downtown Specific Plan. JLL searched for a Developer to play an integral role in developing undeveloped, or underutilized properties south of the Downtown Core area. JLL has interviewed multiple Developers and have coordinated business negotiations with Arrow Retail and property owner Mr. Bill Kimble for a site located north of 8th St., between Sultana and 3rd Ave. In addition, JLL is working with various property owners on the east and west side of Second Ave., south of the railroad tracks for mixed-use development opportunities. JLL met with Foothill Partners, Inc. in regards to a larger master planning of Downtown. In addition, JLL met with the Covenant team, a major national developer, and followed up with other developers in regards to developing in Downtown Upland.
11. **Discover Upland Brochure** - Consistent with Goal 3, JLL prepared and has recently updated the Discover Upland brochure, which markets the City, highlights new retail developments such as the Sycamore Hills Plaza, Upland Village and the Colonies

Crossroads, provides demographic data, and identifies the available sites for lease or for sale within the downtown.

12. **Monthly JLL Meetings** - JLL met with City staff on a monthly basis to prepare for the quarterly Economic Development Committee meetings, provided an update on major shopping centers, provided an analysis on all new users, and discussed current retail trends.
13. **Quarterly Economic Development Meetings** - JLL has provided updates on retail trends, City-wide shopping center activity, and the downtown at the City's quarterly Economic Development Committee meetings.

FISCAL IMPACTS

Consultant will be compensated from the City's General Fund at a rate of \$5,000 per month, up to a maximum of \$60,000 for a twelve month term. No additional appropriations are required. Sufficient budget to cover this item is already included in the FY2019-20 proposed budget.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

**Letter Agreement Extension of Term
Professional Services Agreement - July 2017
Gap Report
Demographic Summary Downtown
Demographic Summary Citywide
Trade Area Polygon Map
Upland Development Map**



DEVELOPMENT SERVICES DEPARTMENT
Telephone (909) 931-4146
Facsimile (909) 931-4321

May 15, 2019

Jones Lang LaSalle Brokerage, Inc.
515 S. Flower Street, Suite 1300
Los Angeles, CA 90071
Attention: Charlie P. Smith, COO LA Brokerage

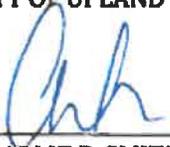
RE: Letter Agreement for Professional Services Agreement Extension of Term

Dear Mr. Smith:

On July 24, 2017, the City Council entered into a Professional Services Agreement (PSA) with Jones Lang LaSalle Brokerage, Inc. for professional consulting services. The consulting services are for the purpose of coordinating efforts for significant commercial properties to move developments forward and drive new retailer interest and to supplement existing staff. The PSA is set to expire on June 30, 2019. The PSA allows for two, one year extensions. We continue to require the use of outside professional services to supplement existing staff; therefore pursuant to the Professional Services Agreement, we would like to extend the PSA for an additional one year period to end on June 30, 2020, pursuant to the original terms in the contract approved by the City Council.

Please sign and return this letter. If you should have any questions, please do not hesitate to contact Robert D. Dalquest at (909) 931-4148.

ROSEMARY HOERNING, ACTING CITY MANAGER
CITY OF UPLAND



CHARLIE P. SMITH, COO LA BROKERAGE
JONES LANG LASALLE BROKERAGE, INC.

**AGREEMENT
FOR PROFESSIONAL CONSULTANT SERVICES
BROKERAGE CONSULTING SERVICES**

THIS AGREEMENT is made and effective as of July 24, 2017, between the City of Upland, a municipal corporation ("City") and Jones Lang LaSalle Brokerage, Inc., a commercial real estate brokerage corporation ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM.** This Agreement shall commence on **July 1, 2017** and shall remain and continue in effect until tasks described herein are completed, but in no event later than **June 30, 2018**, unless sooner terminated pursuant to the provisions of this Agreement. The City may, upon mutual agreement, extend the contract for two (2) one (1) year additional terms at the same rate as described in Section 4.

2. **SERVICES.** Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. **PERFORMANCE.** Consultant shall at all time faithfully, competently and to the best of his or her ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **PAYMENT.**

a. The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the scope of work to be performed, payment rates and schedule of payment are null and void. This amount shall not exceed Sixty Thousand Dollars (**\$60,000.00**) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement or fifty thousand dollars (\$50,000.00). In no event shall the total sum of the agreement (*basic agreement amount and additional work*) exceed fifty thousand dollars (\$50,000.00). Any additional work in excess of this amount shall be approved by the City Council.

c. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of consultant's fees it shall

give written notice to Consultant within 30 days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE.

a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the consultant at least seven (7) days' prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 4.

7. DEFAULT OF CONSULTANT.

a. The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

b. If the City Manager or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS.

a. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission

of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

9. INDEMNIFICATION.

a. The Consultant agrees to defend, indemnify, protect and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the City, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the City.

b. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

10. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.
- (2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.
- (3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.
- (4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

b. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

- (1) General Liability: One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- (2) Automobile Liability: One million dollars (\$1,000,000) per accident for bodily injury and property damage.
- (3) Worker's Compensation insurance is required only if Consultant employs any employees. Consultant warrants and represents to the City that it has no employees and that it will obtain the required Workers Compensation Insurance upon the hiring of any employees.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

d. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- (1) The City, its officers, officials, employees and volunteers are to be covered as insured's as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
- (2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
- (4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- (6) Additional Insured – All policies, except for Worker's Compensation and Professional Liability policies, shall contain endorsements naming the City of Upland and their officers, employees, agents,

and volunteers as additional insured parties with respect to liabilities arising out to the performance of Work hereunder. The additional insured endorsements shall also be primary and non-contributory.

- (7) Waiver of Subrogation Rights - CONSULTANT shall require the carriers of Commercial General Liability, Automobile Liability and Worker's Compensation to waive all rights of subrogation against the City of Upland, and its officers, employees, agents and volunteers. Such insurance coverage provided shall not prohibit CONSULTANT's employees or agents from waiving the right of subrogation prior to a loss or claim. CONSULTANT hereby waives all rights of subrogation against the City of Upland.

e. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VIII, and admitted and licensed to do business in the State of California, unless otherwise acceptable to the City. Self insurance shall not be considered to comply with these insurance requirements.

f. Verification of Coverage. Consultant shall furnish the City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences. As an alternative to the City's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

11. INDEPENDENT CONTRACTOR.

a. Consultant is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

c. PERS Eligibility Indemnification: In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors

providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

12. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant is responsible for compliance with the Patient Protection and Affordable Care Act (2010), and City shall not be obligated to provide any health care coverage to Consultant. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

13. RELEASE OF INFORMATION.

a. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or subcontractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

b. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Upland
Mailing Address: 460 N. Euclid Avenue
Upland, California 91786
Attention: City Manager

To Consultant: Jones Lang Lasalle Brokerage, Inc.
3281 E. Guasti Road, Suite 850
Ontario, CA 91761
Phone: (213) 545-4500
Fax: (909) 467-6851
Attn: Erik Westedt- Senior Vice President

15. ASSIGNMENT. The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Consultant.

16. LICENSES. At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

17. GOVERNING LAW. The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Upland. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

18. PROHIBITED INTEREST. No officer, or employee of the City of Upland shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City of Upland has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

19. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

20. AUTHORITY TO EXECUTE THIS AGREEMENT. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

21. SEVERABILITY. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired,

which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

22. WAIVER. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

23. CONSTRUCTION. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

24. COSTS. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

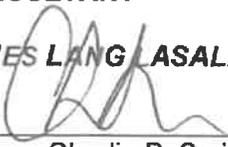
25. RESPONSIBILITY FOR ERRORS. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

26. ATTORNEYS' FEES. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CONSULTANT

JONES LANG LASALLE BROKERAGE, INC.

By: 
Name: Charlie P. Smith
Title: COO LA Brokerage

By: _____
Name: _____
Title: _____

(Two Signatures of Corporate Officers Required For Corporations)

CITY OF UPLAND

By: 
Name: Martin Thouvenell
Title: Interim City Manager

EXHIBIT A

SCOPE OF SERVICES

The following elements will be addressed under the scope of services.

Project Goal: Coordinate efforts for significant commercial properties within the city boundaries, to move developments and redevelopments forward and drive new retailer interest.

Description: Jones Lang LaSalle Brokerage, Inc. Professional Services Agreement shall focus on the following projects:

Goal 1:

Determine Retailer and Restaurant Voids

Update the Gap Analysis and other research to determine sales tax leakage and which retailers and restaurants should be within the City.

Goal 2:

Increase Occupancy Through-out the City

Target void categories as determined from the Gap Analysis and other research as well as retail and restaurants requested by the community.

Goal 3:

Strategy for Downtown Upland

Assist staff outline a strategy that will help us identify appropriate tenants for Downtown Upland. This strategy would consider our changing demographics, the changing nature of retail, and how our major centers can complement rather than compete against each other to best meet future market demands.

TASKS

Task 1:

Update the Gap Analysis and other research to determine sales tax leakage and which retailers and restaurants should be within the City. Review analysis with City and outline a Strategic Plan for Broker/City retail/restaurant attraction and retention efforts. Although the Strategic Plan may focus on certain centers within the City, the primary objective will be to develop the best overall solution for the City's retail vitality and sales tax base.

Task 2:

Coordinate targeted retailer and broker solicitations and retention efforts and report finding monthly to the Economic Development Department.

Task 3:

Assist the City in preparing marketing materials for ICSC and other industry events as well as represent, including arranging meetings for the City at these events. In addition, the City will have the ability, with reasonable advance coordination with JLL, to host meetings at the JLL booth at ICSC and other industry events.

Task 4:

Instigate and attend meetings with prospective retailers and their agents or property developers, as directed or invited by the City. JLL will keep the City informed of any contractual relations between the Project Managers identified below (and, to the knowledge of the Project Managers, JLL) and commercial owners, managers and tenants with interests within the City of Upland, subject to any confidentiality obligations JLL may have to such third parties. The Project Managers and the City's primary points of contact will be Scott Kaplan, Erik Westedt, and Blake Kaplan.

Task 5:

JLL will provide a monthly written accomplishment report with their monthly invoice and provide an annual report no later than July 15th of the following fiscal year.

EXHIBIT B

PAYMENT RATES AND SCHEDULE

This Scope of Services is based on the fee of \$5,000 per month not to exceed of Sixty Thousand Dollars (\$60,000.00) annually unless approved by the City Manager or his designee.



Retail MarketPlace Profile

Upland City, CA
 Upland City, CA (0681344)
 Geography: Place



Prepared by Esri

Summary Demographics

2017 Population	77,739
2017 Households	26,955
2017 Median Disposable Income	\$55,238
2017 Per Capita Income	\$33,162

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$1,160,895,298	\$1,021,307,327	\$139,587,971	6.4	660
Total Retail Trade	44-45	\$1,045,947,265	\$907,985,829	\$137,961,436	7.1	460
Total Food & Drink	722	\$114,948,033	\$113,321,498	\$1,626,535	0.7	200

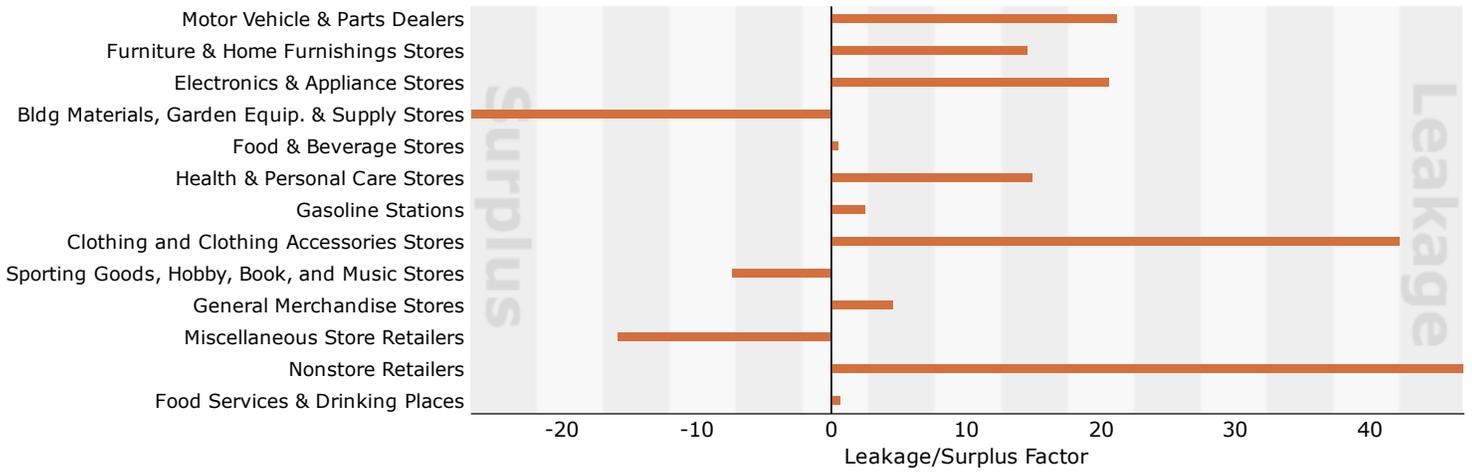
Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$216,146,340	\$140,091,745	\$76,054,595	21.3	55
Automobile Dealers	4411	\$171,026,942	\$84,511,004	\$86,515,938	33.9	26
Other Motor Vehicle Dealers	4412	\$26,192,271	\$37,615,270	-\$11,422,999	-17.9	8
Auto Parts, Accessories & Tire Stores	4413	\$18,927,127	\$17,965,471	\$961,656	2.6	21
Furniture & Home Furnishings Stores	442	\$39,114,808	\$29,147,163	\$9,967,645	14.6	31
Furniture Stores	4421	\$20,363,298	\$5,127,203	\$15,236,095	59.8	9
Home Furnishings Stores	4422	\$18,751,510	\$24,019,960	-\$5,268,450	-12.3	22
Electronics & Appliance Stores	443	\$38,658,638	\$25,376,973	\$13,281,665	20.7	29
Bldg Materials, Garden Equip. & Supply Stores	444	\$64,217,604	\$111,351,339	-\$47,133,735	-26.8	48
Bldg Material & Supplies Dealers	4441	\$59,657,974	\$109,748,570	-\$50,090,596	-29.6	41
Lawn & Garden Equip & Supply Stores	4442	\$4,559,630	\$1,602,769	\$2,956,861	48.0	7
Food & Beverage Stores	445	\$169,366,180	\$167,844,606	\$1,521,574	0.5	49
Grocery Stores	4451	\$144,560,445	\$150,917,810	-\$6,357,365	-2.2	28
Specialty Food Stores	4452	\$11,961,723	\$2,132,697	\$9,829,026	69.7	8
Beer, Wine & Liquor Stores	4453	\$12,844,012	\$14,794,099	-\$1,950,087	-7.1	13
Health & Personal Care Stores	446,4461	\$72,270,055	\$53,372,439	\$18,897,616	15.0	38
Gasoline Stations	447,4471	\$91,162,941	\$86,781,739	\$4,381,202	2.5	16
Clothing & Clothing Accessories Stores	448	\$76,467,251	\$30,980,847	\$45,486,404	42.3	54
Clothing Stores	4481	\$54,311,157	\$22,531,200	\$31,779,957	41.4	30
Shoe Stores	4482	\$9,341,294	\$3,419,255	\$5,922,039	46.4	5
Jewelry, Luggage & Leather Goods Stores	4483	\$12,814,800	\$5,030,392	\$7,784,408	43.6	19
Sporting Goods, Hobby, Book & Music Stores	451	\$33,333,942	\$38,689,657	-\$5,355,715	-7.4	33
Sporting Goods/Hobby/Musical Instr Stores	4511	\$28,755,706	\$35,553,593	-\$6,797,887	-10.6	30
Book, Periodical & Music Stores	4512	\$4,578,236	\$4,136,064	\$1,442,172	18.7	3
General Merchandise Stores	452	\$174,809,318	\$159,482,773	\$15,326,545	4.6	18
Department Stores Excluding Leased Depts.	4521	\$104,834,553	\$143,146,709	-\$38,312,156	-15.4	6
Other General Merchandise Stores	4529	\$69,974,765	\$16,336,064	\$53,638,701	62.1	12
Miscellaneous Store Retailers	453	\$38,853,787	\$53,493,758	-\$14,639,971	-15.9	79
Florists	4531	\$2,062,749	\$1,132,898	\$929,851	29.1	9
Office Supplies, Stationery & Gift Stores	4532	\$8,968,176	\$14,937,466	-\$5,969,290	-25.0	18
Used Merchandise Stores	4533	\$4,146,501	\$4,738,304	-\$591,803	-6.7	14
Other Miscellaneous Store Retailers	4539	\$23,676,361	\$32,685,090	-\$9,008,729	-16.0	38
Nonstore Retailers	454	\$31,546,401	\$11,372,790	\$20,173,611	47.0	10
Electronic Shopping & Mail-Order Houses	4541	\$26,755,377	\$10,111,436	\$16,643,941	45.1	4
Vending Machine Operators	4542	\$469,030	\$857,821	-\$388,791	-29.3	2
Direct Selling Establishments	4543	\$4,321,994	\$403,533	\$3,918,461	82.9	4
Food Services & Drinking Places	722	\$114,948,033	\$113,321,498	\$1,626,535	0.7	200
Special Food Services	7223	\$2,374,219	\$2,496,894	-\$122,675	-2.5	7
Drinking Places - Alcoholic Beverages	7224	\$2,512,205	\$3,147,931	-\$635,726	-11.2	7
Restaurants/Other Eating Places	7225	\$110,061,609	\$107,676,673	\$2,384,936	1.1	186

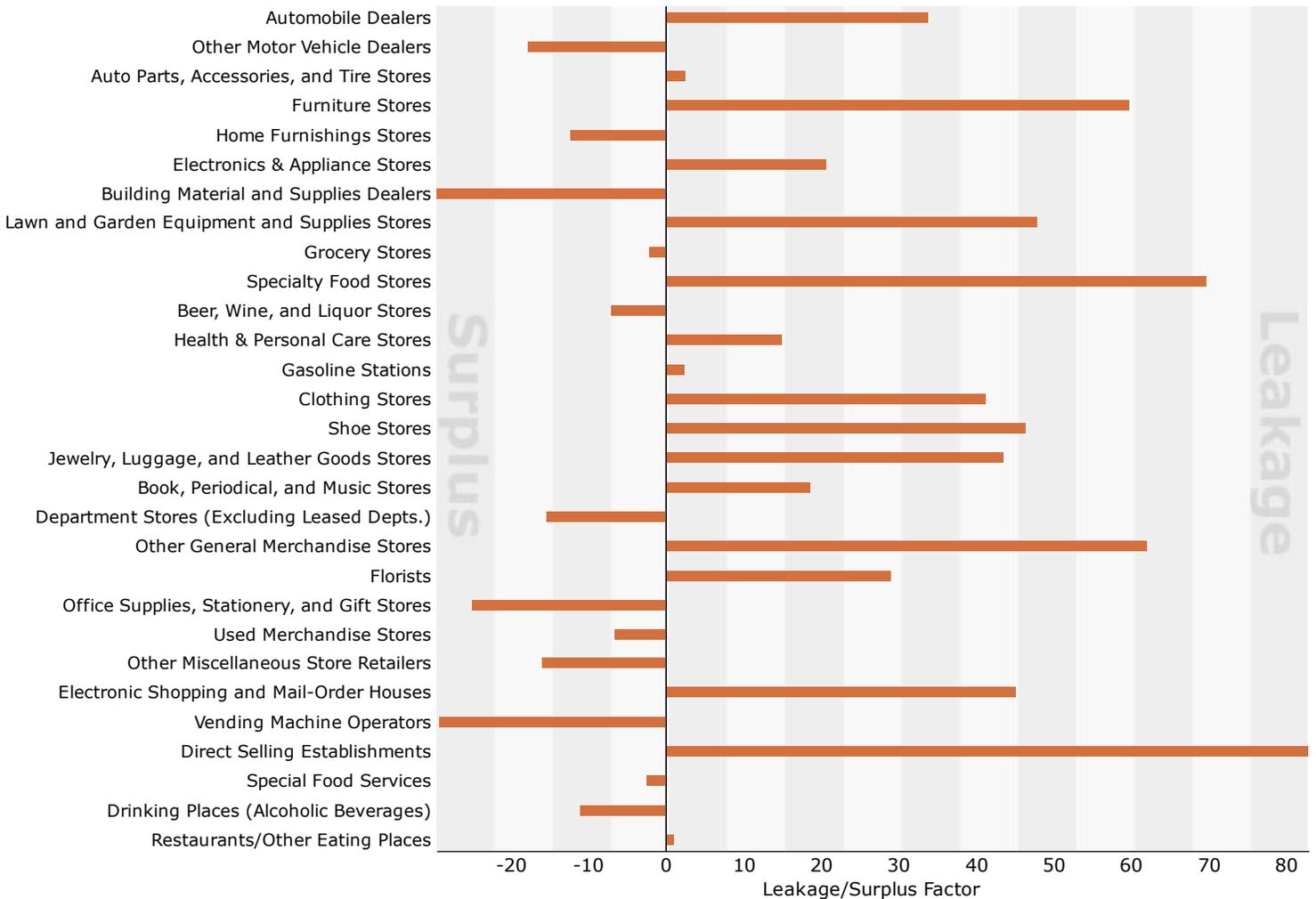
Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2017. Copyright 2017 Infogroup, Inc. All rights reserved.

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Retail MarketPlace 2017. Copyright 2017 Infogroup, Inc. All rights reserved.



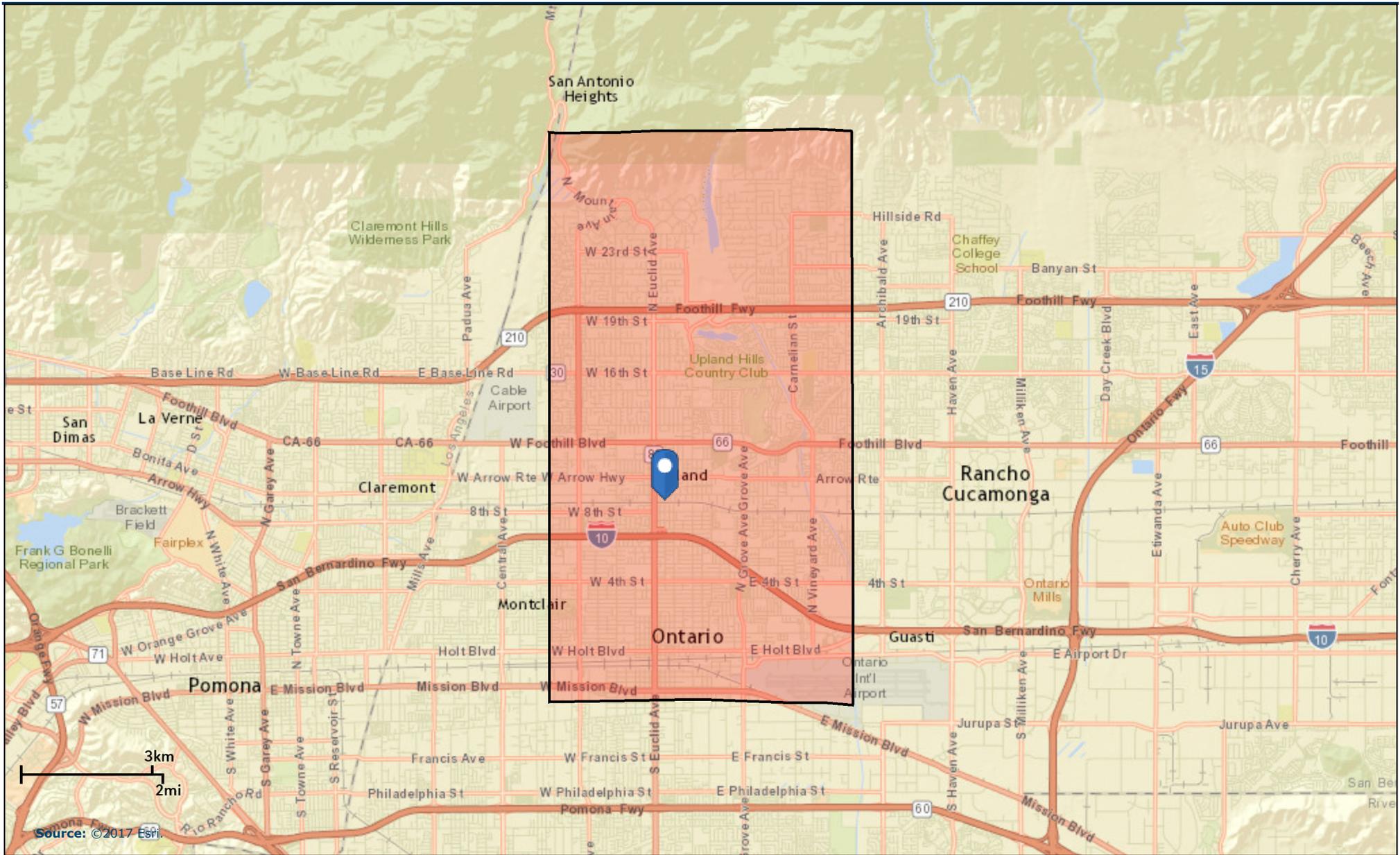
JLL Demographic Summary

DT Upland Trade Area Polygon
Area: 36.15 square miles

Prepared by Esri

Population Summary	
2000 Total Population	179,824
2010 Total Population	187,456
2017 Total Population	195,554
2022 Total Population	201,630
2017-2022 Annual Rate	0.61%
Total Households	59,666
Data for all businesses in area	
Total Businesses:	5,312
Total Employees:	51,262
Total Residential Population:	195,554
Employee/Residential Population Ratio:	0.26:1
Labor Force By Occupation - White Collar	54.5%
Labor Force By Occupation - Blue Collar	26.5%
Median Age	
2017 Median Age	34.5
Median Household Income	
2017 Median Household Income	\$61,930
2022 Median Household Income	\$67,823
2017-2022 Annual Rate	1.83%
Average Household Income	
2017 Average Household Income	\$85,493
2022 Average Household Income	\$95,698
2017-2022 Annual Rate	2.28%
Per Capita Income	
2017 Per Capita Income	\$26,410
2022 Per Capita Income	\$29,405
2017-2022 Annual Rate	2.17%
2017 Population 25+ by Educational Attainment	
Total	126,246
Less than 9th Grade	10.4%
9th - 12th Grade, No Diploma	9.5%
High School Graduate	22.3%
GED/Alternative Credential	2.5%
Some College, No Degree	24.2%
Associate Degree	8.2%
Bachelor's Degree	15.3%
Graduate/Professional Degree	7.5%
2017 Population by Sex	
Males	96,186
Females	99,369
2017 Population by Race/Ethnicity	
Total	195,554
White Alone	58.0%
Black Alone	5.6%
American Indian Alone	0.9%
Asian Alone	6.3%
Pacific Islander Alone	0.3%
Some Other Race Alone	23.7%
Two or More Races	5.2%
Hispanic Origin	57.9%
Diversity Index	82.4

Source:





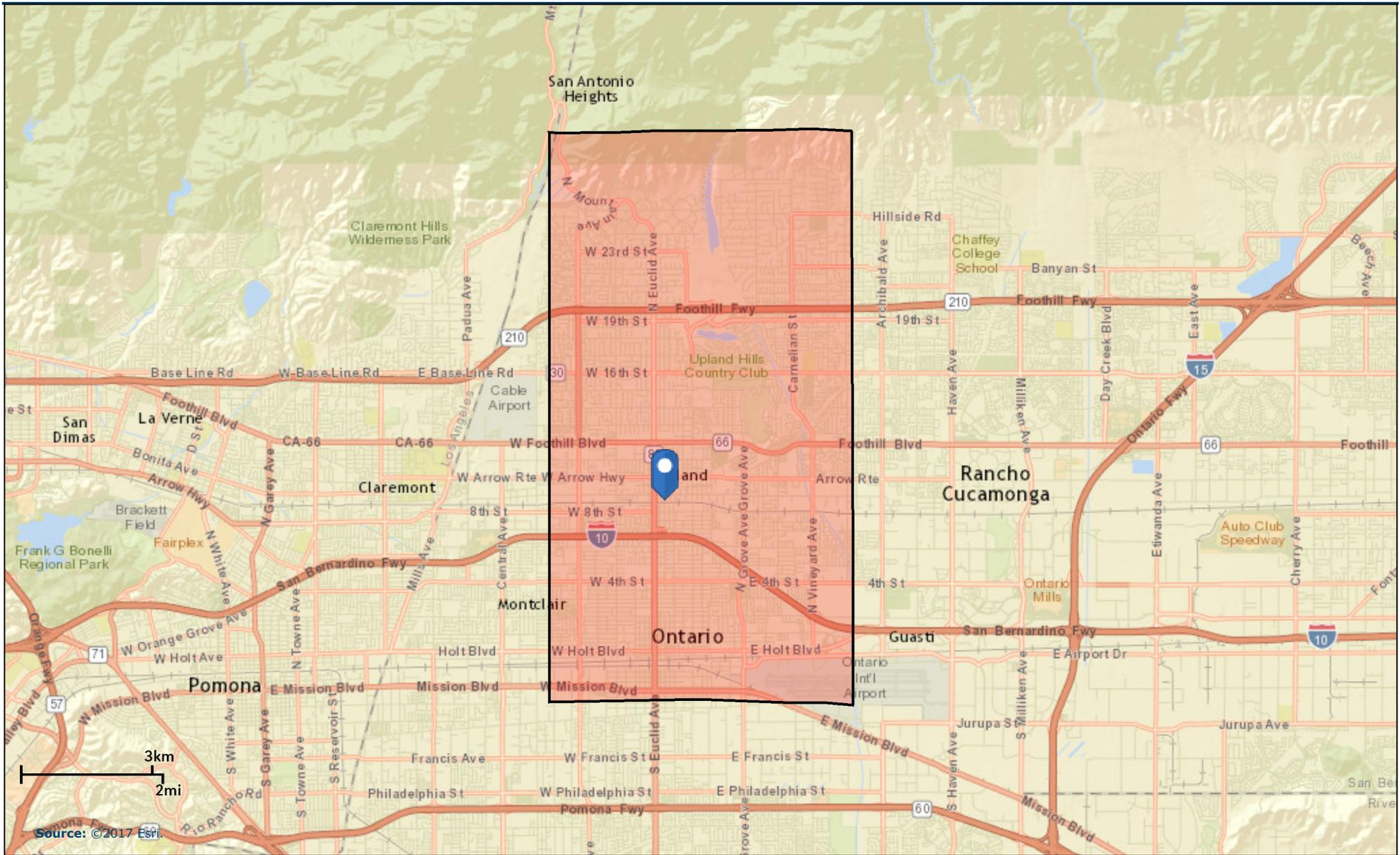
JLL Demographic Summary

Upland City, CA
 Upland City, CA (0681344)
 Geography: Place

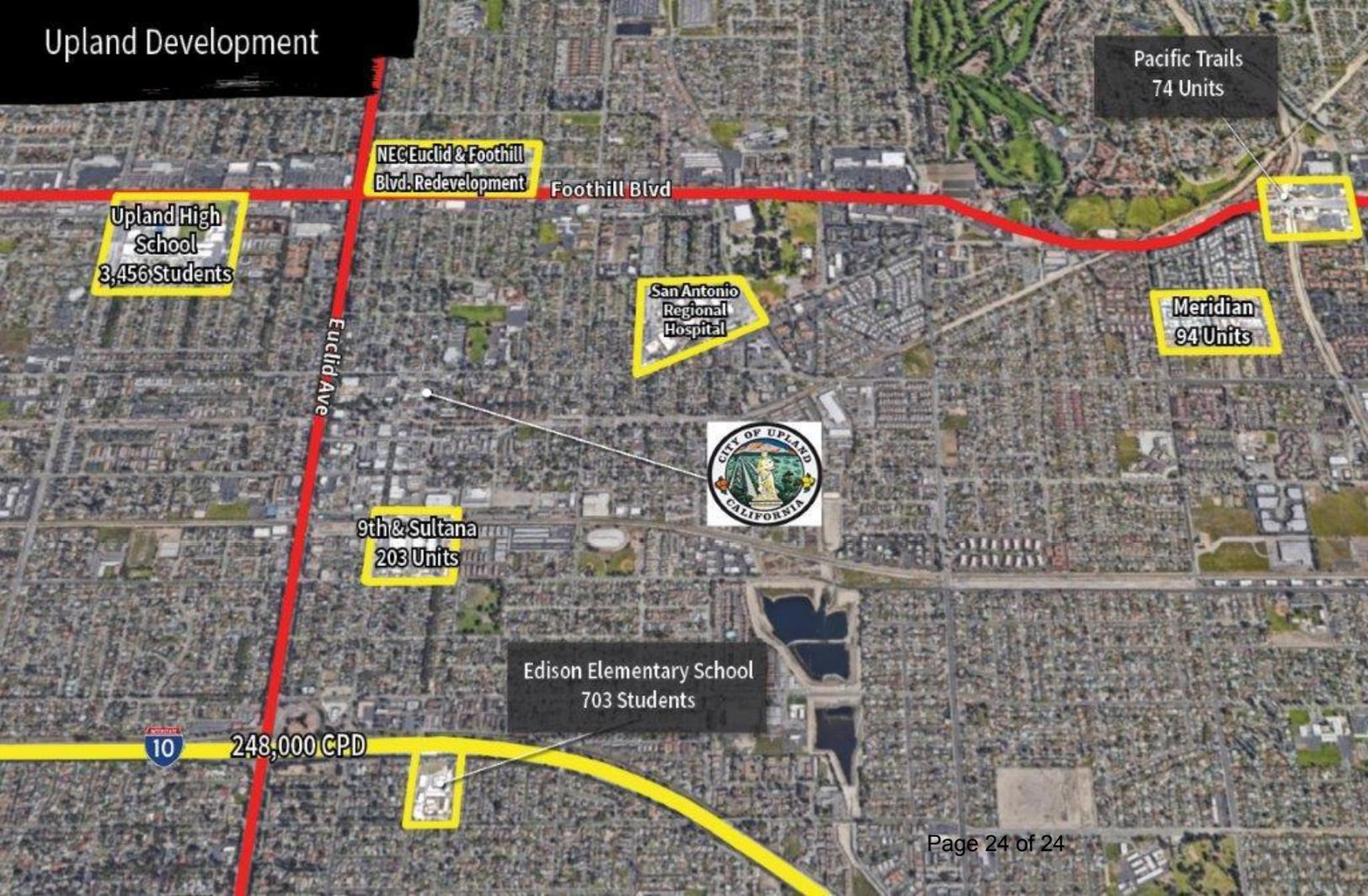
Prepared by Esri

	Upland city, ...
Population Summary	
2000 Total Population	68,556
2010 Total Population	73,732
2017 Total Population	77,739
2022 Total Population	80,573
2017-2022 Annual Rate	0.72%
Total Households	26,955
Data for all businesses in area	
Total Businesses:	3,271
Total Employees:	27,906
Total Residential Population:	77,739
Employee/Residential Population Ratio:	0.36:1
Labor Force By Occupation - White Collar	63.6%
Labor Force By Occupation - Blue Collar	16.9%
Median Age	
2017 Median Age	37.3
Median Household Income	
2017 Median Household Income	\$68,504
2022 Median Household Income	\$76,237
2017-2022 Annual Rate	2.16%
Average Household Income	
2017 Average Household Income	\$94,582
2022 Average Household Income	\$105,761
2017-2022 Annual Rate	2.26%
Per Capita Income	
2017 Per Capita Income	\$33,162
2022 Per Capita Income	\$36,856
2017-2022 Annual Rate	2.13%
2017 Population 25+ by Educational Attainment	
Total	52,776
Less than 9th Grade	4.5%
9th - 12th Grade, No Diploma	6.3%
High School Graduate	20.6%
GED/Alternative Credential	1.6%
Some College, No Degree	25.6%
Associate Degree	9.1%
Bachelor's Degree	20.6%
Graduate/Professional Degree	11.6%
2017 Population by Sex	
Males	37,671
Females	40,068
2017 Population by Race/Ethnicity	
Total	77,739
White Alone	62.3%
Black Alone	7.2%
American Indian Alone	0.7%
Asian Alone	9.7%
Pacific Islander Alone	0.2%
Some Other Race Alone	14.6%
Two or More Races	5.4%
Hispanic Origin	42.9%
Diversity Index	79.5

Source:



Upland Development



Upland High School
3,456 Students

NEC Euclid & Foothill
Blvd. Redevelopment

Foothill Blvd

Pacific Trails
74 Units

San Antonio
Regional
Hospital

Meridian
94 Units

Euclid Ave



9th & Sultana
203 Units

Edison Elementary School
703 Students

248,000 CPD
10



STAFF REPORT

ITEM NO. 14.C.

DATE: June 10, 2019
TO: MAYOR AND CITY COUNCIL
FROM: ROSEMARY HOERNING, ACTING CITY MANAGER
PREPARED BY: ROBERT D. DALQUEST, DEVELOPMENT SERVICES DIRECTOR
SUBJECT: A RESOLUTION AMENDING THE ADOPTED CITY WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR SMALL WIRELESS FACILITIES

RECOMMENDED ACTION

It is recommended that the City Council adopt a Resolution amending the City wide policy regarding Permitting Requirements and Development Standards for small wireless facilities adopted under Resolution No. 6489.

GOAL STATEMENT

The proposed action supports the City's overarching goal of protecting the public health, safety, and welfare by establishing consistent regulations governing the deployment of small wireless facilities at the maximum permissible under current Federal Communications Commission's rules and regulations.

BACKGROUND

On May 13th, the City Council adopted Resolution No. 6489 (see Exhibit B), which established a City wide policy regarding permitting requirements and development standards for small wireless facilities (the "Policy"). This was in response to the Federal Communications Commission's Declaratory Ruling and Third Report and Order (the "FCC Report and Order") which substantially limits the ability of cities to regulate small wireless facilities.

At the same time, the City Council directed staff to prepare certain amendments to the policy to include more restrictive location requirements similar to those adopted by the City of Mill Valley.

ISSUES/ANALYSIS

Pursuant to the City Council’s direction, staff has prepared a draft resolution (see Exhibit A), which would amend the Policy to incorporate location restrictions similar to those adopted by the City of Mill Valley.

The amendments fall into three categories, which are briefly summarized:

1. Prohibited Locations

The Policy would be amended to add a new category of prohibited locations where small wireless facilities would not be permitted; which would include: (1) any single family residential zone; (2) any single family residential Specific Plan designation; and (3) the Scenic Corridor Overlay, which encompasses Euclid Avenue.

2. Location Preferences

In the locations where small wireless facilities would be permitted, they would be subject to a revised hierarchy of location preferences similar in approach to that used by Mill Valley. Currently, the Policy only includes broad general zoning categories. As amended, it would follow Mill Valley’s approach by listing each individual zoning district by land use intensity.

3. Separation Requirement

The Policy would also be amended to include a new 1,500-foot separation requirement for pole-mounted small wireless facilities. Mill Valley has adopted the same requirement.

Comparison

The table below provides a quick comparison of the regulation for small wireless facilities in the City of Upland’s amended Resolution and Mill Valley’s Ordinance.

Regulations / Standards	Mill Valley Ordinance	Upland's Amended Resolution
Single Family Residential zone: <ul style="list-style-type: none"> • On private property • In Public Right-of-Way 	Prohibited Conditional Use Permit	Prohibited Prohibited
Separation pole mounted facilities requirement	1,500 linear feet	1,500 linear feet
Preferred locations by ordered preference	10 ordered levels	29 ordered levels
Permit Term	No term limitation	Initial 10 years plus one 10 year renewal

FISCAL IMPACTS

There is no fiscal impact to the general fund with the adoption of the proposed resolution as this action only entails changes to the regulations concerning small wireless facilities.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS:

Exhibit A – Resolution amending the adopted City wide policy regarding Permitting Requirements and Development Standards for small wireless facilities

Exhibit B – Resolution No. 6489 – Adopted City-wide policy regarding permitting requirements and development standards for small wireless facilities

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
UPLAND AMENDING THE CITY WIDE POLICY REGARDING
PERMITTING REQUIREMENTS AND DEVELOPMENT
STANDARDS FOR SMALL WIRELESS FACILITIES

Intent of the Parties and Findings

(i) On September 26, 2018, the Federal Communications Commission ("FCC") adopted its Declaratory Ruling and Third Report and Order ("Report and Order") relating to placement of small wireless facilities in public rights-of-way; and

(i) Notwithstanding the limitations imposed on local regulation of small wireless facilities in public rights-of-way by the Report and Order, local agencies retain the ability to regulate the aesthetics of small wireless facilities, including location, compatibility with surrounding facilities, spacing, and overall size of the facility, provided the aesthetic requirements are: (i) "reasonable," i.e., "technically feasible and reasonably directed to avoiding or remedying the intangible public harm or unsightly or out-of-character deployments"; (ii) "objective," i.e., they "incorporate clearly-defined and ascertainable standards, applied in a principled manner"; and (iii) published in advance. Regulations that do not satisfy the foregoing requirements are likely to be subject to invalidation, as are any other regulations that "materially inhibit wireless service," (e.g., overly restrictive spacing requirements); and

(iii) Local agencies also retain the ability to regulate small wireless facilities in the public rights-of-way in order to more fully protect the public health and safety, ensure continued quality of telecommunications services, and safeguard the rights of consumers, and pursuant to this retained authority, the City Council has amended the Upland Municipal Code to require all small wireless facilities as defined by the FCC in 47 C.F.R. § 1.6002(I), as may be amended or superseded, to comply with the requirements of a policy adopted by resolution of the City Council entitled "City Wide Policy Regarding Permitting Requirements And Development Standards For Small Wireless Facilities"; and

(iv) On May 13, 2019, the City Council adopted Resolution No. 6489, adopting a "City Wide Policy Regarding Permitting Requirements And Development Standards For Small Wireless Facilities" (the "Policy") and directed that certain amendments to the Policy be prepared for the Council's future consideration; and

(v) The City Council finds that the amendments to the Policy set forth in this Resolution are necessary to protect the health, safety, and welfare of the public;

NOW, THEREFORE, the City Council hereby finds, determines and resolves as follows:

Section 1. Findings. The City Council finds each of the facts in the preceding recitals to be true.

Section 2. Policy Amended. The City Council of Upland hereby amends the Policy as provided in this Section 2 of the Resolution. Except as expressly amended by herein, all other provisions of the Policy shall remain in full force and effect.

A. Section 2.6, Paragraph (b) of the Policy is hereby amended to read as follows:

"Locational Preferences. *The City prefers small wireless facilities to be installed in locations, ordered from most preferred to least preferred, as follows:*

- (1) In the GI (General Industrial) zoning district,*
- (2) In the LI (Light Industrial) zoning district,*
- (3) In the RC (Regional Commercial) zoning district,*
- (4) In the C/I-MU (Commercial/Industrial Mixed-Use) zoning district,*
- (5) In the HC (Highway Commercial) zoning district,*
- (6) In the HC (Highway Commercial) land use designation in the Colonies Specific Plan,*
- (7) In the C/O-MU (Commercial/Office Mixed-Use) zoning district,*
- (8) In the NC (Neighborhood Commercial) zoning district,*
- (9) In the NC (Neighborhood Commercial) land use designation in the Colonies Specific Plan,*
- (10) In the Commercial land use designation in the Park View Specific Plan,*
- (11) In the C/R-MU (Commercial/Residential Mixed-Use) zoning district,*
- (12) In the B/R-MU (Business/Residential Mixed-Use) zoning district,*
- (13) In the OP (Office Professional) zoning district,*
- (14) In the public right-of-way with the closest adjacent district being GI (General Industrial) zoning district,*
- (15) In the public right-of-way with the closest adjacent district being LI (Light Industrial) zoning district,*

- (16) *In the public right-of-way with the closest adjacent district being RC (Regional Commercial) zoning district,*
- (17) *In the public right-of-way with the closest adjacent district being C/I-MU (Commercial/Industrial Mixed-Use) zoning district,*
- (18) *In the public right-of-way with the closest adjacent district being HC (Highway Commercial) zoning district,*
- (19) *In the public right-of-way with the closest adjacent district being HC (Highway Commercial) land use designation in the Colonies Specific Plan,*
- (20) *In the public right-of-way with the closest adjacent district being C/O-MU (Commercial/Office Mixed-Use) zoning district,*
- (21) *In the public right-of-way with the closest adjacent district being NC (Neighborhood Commercial) zoning district,*
- (22) *In the public right-of-way with the closest adjacent district being NC (Neighborhood Commercial) land use designation in the Colonies Specific Plan,*
- (23) *In the public right-of-way with the closest adjacent district being the Commercial land use designation in the Park View Specific Plan,*
- (24) *In the public right-of-way with the closest adjacent district being C/R-MU (Commercial/Residential Mixed-Use) zoning district,*
- (25) *In the public right-of-way with the closest adjacent district being B/R-MU (Business/Residential Mixed-Use) zoning district,*
- (26) *In the public right-of-way with the closest adjacent district being OP (Office Professional) zoning district,*
- (27) *In the public right-of-way with the closest adjacent district being the RM (Residential Multi-family) zoning district,*
- (28) *Any public right-of-way location that abuts the property line of a structure within a designated local, State or federal historic district,*
- (29) *Any parcel or right-of-way within 500 feet of a school site."*

B. Section 2.6, Paragraph (d) of the Policy ("Prohibited Support Structures in Public Rights-of-Way") is hereby amended by the addition thereto of a new Subparagraph (5) to read as follows:

"any pole mounted facility within 1,500 of an existing pole mounted facility."

C. Section 2.6 of the Policy is hereby amended by the addition thereto of a new Paragraph (e) to read as follows:

"Prohibited Locations. *The City prohibits small wireless facilities to be installed on any parcel in a single family residential zone, single family residential Specific Plan designation, or Scenic Corridor Overlay."*

Section 4. Publication for Administrative Use. The City Development Services Director is authorized to publish the City Wide Policy as amended by this resolution for administrative use, an official copy of which shall be kept on file with the City Clerk,

Section 5. Severability. The City Council declares that, should any provision, section, paragraph, sentence, or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Resolution shall remain in full force and effect.

Certification. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 10th day of June, 2019.

Debbie Stone, Mayor

I, Keri Johnson, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 10th day of June, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

ATTEST:

Keri Johnson, City Clerk

RESOLUTION NO. 6489

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
UPLAND ADOPTING A CITY WIDE POLICY REGARDING
PERMITTING REQUIREMENTS AND DEVELOPMENT
STANDARDS FOR SMALL WIRELESS FACILITIES

Intent of the Parties and Findings

(i) on September 26, 2018, the Federal Communications Commission ("FCC") adopted its Declaratory Ruling and Third Report and Order ("Report and Order") relating to placement of small wireless facilities in public rights-of-way; and

(ii) the Report and Order purports to give providers of wireless services rights to utilize public rights-of-way and to attach so-called "small wireless facilities" to public infrastructure, including infrastructure of the City of Upland, subject to payment of "presumed reasonable", non-recurring and recurring fees, and the ability of local agencies to regulate use of their rights-of-way is substantially limited under the Report and Order; and

(iii) notwithstanding the limitations imposed on local regulation of small wireless facilities in public rights-of-way by the Report and Order, local agencies retain the ability to regulate the aesthetics of small wireless facilities, including location, compatibility with surrounding facilities, spacing, and overall size of the facility, provided the aesthetic requirements are: (i) "reasonable," i.e., "technically feasible and reasonably directed to avoiding or remedying the intangible public harm or unsightly or out-of-character deployments"; (ii) "objective," i.e., they "incorporate clearly-defined and ascertainable standards, applied in a principled manner"; and (iii) published in advance. Regulations that do not satisfy the foregoing requirements are likely to be subject to invalidation, as are any other regulations that "materially inhibit wireless service," (e.g., overly restrictive spacing requirements); and

(iv) local agencies also retain the ability to regulate small wireless facilities in the public rights-of-way in order to more fully protect the public health and safety, ensure continued quality of telecommunications services, and safeguard the rights of consumers, and pursuant to this retained authority, the City Council has amended the Upland Municipal Code to require all small wireless facilities as defined by the FCC in 47 C.F.R. § 1.60002(I), as may be amended or superseded, to comply with the requirements of a policy adopted by resolution of the City Council entitled "City Wide Policy Regarding Permitting Requirements And Development Standards For Small Wireless Facilities";

NOW, THEREFORE, the City Council of the City of Upland hereby finds, determines and resolves as follows:

Section 1. Findings. The City Council finds each of the facts in the preceding recitals to be true.

Section 2. City Wide Policy Adopted. The City Council of Upland hereby adopts the "City Wide Policy Regarding Permitting Requirements And Development

Standards For Small Wireless Facilities” set forth in Exhibit A to this Resolution, which is hereby incorporated as though set forth in full.

Section 3. CEQA. The City of Upland has determined that the adoption of this Resolution is exempt from review under the California Environmental Quality Act (“CEQA”) (California Public Resources Code Section 21000, et seq.), pursuant to State CEQA Regulation §15061(b)(3) (14 Cal. Code Regs. § 15061(b)(3)) covering activities with no possibility of having a significant effect on the environment. In addition, the City of Upland has determined that the ordinance is categorically exempt pursuant to Section 15301 of the CEQA Regulations applicable to minor alterations of existing governmental and/or utility-owned structures.

Section 4. Certification. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 13th day of May, 2019.



Debbie Stone, Mayor

I, Keri Johnson, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 13th day of May, 2019, by the following vote:

AYES: Mayor Stone, Councilmembers Elliott, Felix, Velto, Zuniga
NOES: None
ABSENT: None
ABSTAINED: None

ATTEST:


Keri Johnson, City Clerk

EXHIBIT A

CITY OF UPLAND CITY WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR SMALL WIRELESS FACILITIES

SECTION 1. GENERAL PROVISIONS

SECTION 1.1. PURPOSE AND INTENT

- (a) On September 27, 2018, the Federal Communications Commission ("FCC") adopted a *Declaratory Ruling and Third Report and Order*, FCC 18-133 (the "*Small Cell Order*"), in connection with two informal rulemaking proceedings entitled *Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment*, WT Docket No. 17-79, and *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, WC Docket No. 17-84. The regulations adopted in the *Small Cell Order* significantly curtail local authority over wireless and wireline communication facilities reserved to State and local governments under sections 253 and 704 in the federal Telecommunications Act. Numerous legal challenges to the *Small Cell Order* have been raised but its regulations will become effective while such challenges are pending. Although the provisions may well be invalidated by future action, the City recognizes the practical reality that failure to comply with the *Small Cell Order* while it remains in effect will likely result in greater harm to the City's interests than if the City ignored the FCC's ruling. Accordingly, the City Council adopts this Policy ("Policy") as a means to accomplish such compliance that can be quickly amended or repealed in the future without the need to amend the City's municipal code.
- (b) The City of Upland intends this Policy to establish reasonable, uniform and comprehensive standards and procedures for small wireless facilities deployment, construction, installation, collocation, modification, operation, relocation and removal within the City's territorial boundaries, consistent with and to the extent permitted under federal and California state law. The standards and procedures contained in this Policy are intended to, and should be applied to, protect and promote public health, safety and welfare, and balance the benefits from advanced wireless services with local values, which include without limitation the aesthetic character of the City. This Policy is also intended to reflect and promote the community interest by (1) ensuring that the balance between public and private interests is maintained; (2) protecting the City's visual character from potential adverse impacts and/or visual blight created or exacerbated by small wireless facilities and related communications infrastructure; (3) protecting and preserving the City's environmental resources; (4) protecting and preserving the City's public rights-of-way and municipal infrastructure located within the City's public rights-of-way; and (5) promoting access to high-quality, advanced wireless services for the City's residents, businesses and visitors.
- (c) This Policy is not intended to, nor shall it be interpreted or applied to: (1) prohibit or effectively prohibit any personal wireless service provider's ability

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to provide personal wireless services; (2) prohibit or effectively prohibit any entity's ability to provide any telecommunications service, subject to any competitively neutral and nondiscriminatory rules, regulations or other legal requirements for rights-of-way management; (3) unreasonably discriminate among providers of functionally equivalent personal wireless services; (4) deny any request for authorization to place, construct or modify personal wireless service facilities on the basis of environmental effects of radio frequency emissions to the extent that such wireless facilities comply with the FCC's regulations concerning such emissions; (5) prohibit any collocation or modification that the City may not deny under federal or California state law; (6) impose any unreasonable, discriminatory or anticompetitive fees that exceed the reasonable cost to provide the services for which the fee is charged; or (7) otherwise authorize the City to preempt any applicable federal or California law.

SECTION 1.2. DEFINITIONS

- (a) **Undefined Terms.** Undefined phrases, terms or words in this Policy will have the meanings assigned to them in 1 U.S.C. § 1, as may be amended or superseded, and, if not defined therein, will have their ordinary meanings. If any definition assigned to any phrase, term or word in Section 1.2 conflicts with any federal or state-mandated definition, the federal or state-mandated definition will control.
- (b) **Defined Terms.**
- (1) **"Accessory equipment"** means the same as "antenna equipment" as defined by FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 - (2) **"Antenna"** means the same as defined by the FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 - (3) **"Approval authority"** means the City official(s) responsible for reviewing applications for small cell permits and vested with the authority to approve, conditionally approve or deny such applications as provided in this Policy.
 - (4) **"Collocation"** means the same as defined by the FCC in 47 C.F.R. § 1.6002(g), as may be amended or superseded.
 - (5) **"Concealed" or "concealment"** means camouflaging techniques that integrate the transmission equipment into the surrounding natural and/or built environment such that the average, untrained observer cannot directly view the equipment and would not likely

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recognize the existence of the wireless facility or concealment technique.

- (6) **"Decorative pole"** means any pole that includes decorative or ornamental features and/or materials intended to enhance the appearance of the pole. Decorative or ornamental features include, but are not limited to, fluted poles, ornate luminaires and artistic embellishments. Cobra head luminaires and octagonal shafts made of concrete or crushed stone composite material are not considered decorative or ornamental.
- (7) **"FCC"** means the Federal Communications Commission or its duly appointed successor agency.
- (8) **"FCC Shot Clock"** means the presumptively reasonable time frame within which the City generally must act on a given wireless application, as defined by the FCC and as may be amended or superseded.
- (9) **"Ministerial permit"** means any City-issued non-discretionary permit required to commence or complete any construction or other activity subject to the City's jurisdiction. Ministerial permits may include, without limitation, any building permit, construction permit, electrical permit, encroachment permit, excavation permit, traffic control permit and/or any similar over-the-counter approval issued by the City's departments.
- (10) **"Personal wireless services"** means the same as defined in 47 U.S.C. § 332(c)(7)(C)(i), as may be amended or superseded.
- (11) **"Personal wireless service facilities"** means the same as defined in 47 U.S.C. § 332(c)(7)(C)(ii), as may be amended or superseded.
- (12) **"Public right-of-way"** means any land which has been reserved for or dedicated to the City for the use of the general public for public road purposes, including streets, sidewalks and unpaved areas.
- (13) **"RF"** means radio frequency or electromagnetic waves.
- (14) **"Section 6409"** means Section 6409(a) of the Middle-Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 126 Stat.

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156, codified as 47 U.S.C. § 1455(a), as may be amended or superseded.

- (15) **"Small wireless facility"** or **"small wireless facilities"** means the same as defined by the FCC in 47 C.F.R. § 1.6002(1), as may be amended or superseded.

SECTION 2. SMALL WIRELESS FACILITIES

SECTION 2.1. APPLICABILITY; REQUIRED PERMITS AND APPROVALS

- (a) **Applicable Facilities.** Except as expressly provided otherwise in this Policy, the provisions in this Policy shall be applicable to all existing small wireless facilities and all applications and requests for authorization to construct, install, attach, operate, collocate, modify, reconstruct, relocate, remove or otherwise deploy small wireless facilities within the City's jurisdictional boundaries.
- (b) **Approval Authority.** The approval authority for small wireless facilities in public rights-of-way shall be the Public Works Director or his/her designee. The approval authority for small wireless facilities outside of public rights-of-way shall be the Development Director or his/her designee.
- (c) **Small Wireless Facility Permit.** A small wireless facility permit, subject to the approval authority's prior review and approval, is required for any small wireless facility proposed on an existing, new or replacement structure.
- (d) **Request for Approval Pursuant to Section 6409.** Requests for approval to collocate, replace or remove transmission equipment at an existing wireless tower or base station submitted pursuant to Section 6409 are not subject to this policy, but shall be reviewed in accordance with Section 6409.
- (e) **Other Permits and Approvals.** In addition to a small wireless facility permit, the applicant must obtain all other permits and regulatory approvals as may be required by any other federal, state or local government agencies, which includes without limitation any ministerial permits and/or other approvals issued by other City departments or divisions. All applications for ministerial permits submitted in connection with a proposed small wireless facility must contain a valid small wireless facility permit issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such small cell permit may be denied without prejudice. Furthermore, any small cell permit granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

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SECTION 2.2. SMALL WIRELESS FACILITY PERMIT APPLICATION REQUIREMENTS

- (a) **Application Contents.** All applications for a small wireless facility must include all the information and materials required in this subsection (a).
- (1) **Application Form.** The applicant shall submit a complete, duly executed small wireless facility permit application using the then-current City form which must include the information described in this subsection (a).
 - (2) **Application Fee.** The applicant shall submit all applicable small wireless facility permit application fees. Batched applications must include the applicable small wireless facility permit application fee for each small wireless facility in the batch. Applications submitted without the required fee shall be deemed incomplete. The fee shall be in amounts established by separate City Council resolution.
 - (3) **Construction Drawings.** The applicant shall submit true and correct construction drawings on plain bond paper and electronically, prepared, signed and stamped by a California licensed or registered structural engineer, depicting all the existing and proposed improvements, equipment and conditions related to the proposed project and project site, which includes without limitation any and all poles, posts, pedestals, traffic signals, towers, streets, sidewalks, pedestrian ramps, driveways, curbs, gutters, drains, handholes, manholes, fire hydrants, equipment cabinets, antennas, cables, trees and other landscape features. If the applicant proposes to use existing poles or other existing structures, the structural engineer must certify that the existing above and below ground structure will be adequate for the purpose. The construction drawings must: (i) contain cut sheets that contain the technical specifications for all existing and proposed antennas and accessory equipment, which includes without limitation the manufacturer, model number and physical dimensions; (ii) identify all structures within 200 feet from the proposed project site and call out such structures' overall height above ground level; (iii) depict the applicant's plan for electric and data backhaul utilities, which shall include the locations for all conduits, cables, wires, handholes, junctions, transformers, meters, disconnect switches, and points of connection; (iv) traffic control plans for the installation phase, stamped and signed by a California licensed or registered civil or traffic engineer; and (v) demonstrate that proposed project will be in full compliance with all applicable health and safety laws, regulations or other rules, which includes without limitation all building codes, electric codes, local street standards and specifications, and public utility regulations and orders.
 - (4) **Site Plan.** The applicant shall submit a survey prepared, signed and stamped by a California licensed or registered surveyor. The survey

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must identify and depict all existing boundaries, encroachments, buildings, walls, fences and other structures within 200 feet from the proposed project site, which includes without limitation all: (i) traffic lanes; (ii) all private properties and property lines; (iii) above and below-grade utilities and related structures and encroachments; (iv) fire hydrants, roadside call boxes and other public safety infrastructure; (v) streetlights, decorative poles, traffic signals and permanent signage; (vi) sidewalks, driveways, parkways, curbs, gutters and storm drains; (vii) benches, trash cans, mailboxes, kiosks and other street furniture; and (viii) existing trees, planters and other landscaping features.

- (5) **Photo Simulations.** The applicant shall submit site photographs and photo simulations that show the existing location and proposed small wireless facility in context from at least three vantage points within the public streets or other publicly accessible spaces, together with a vicinity map that shows the proposed site location and the photo location for each vantage point. At least one simulation must depict the small wireless facility from a vantage point approximately 50 feet from the proposed support structure or location.
- (6) **Project Narrative and Justification.** The applicant shall submit a written statement that explains in plain factual detail why the proposed wireless facility qualifies as a "small wireless facility" as defined by the FCC in 47 C.F.R. § 1.6002(/). A complete written narrative analysis will state the applicable standard and all the facts that allow the City to conclude the standard has been met. Bare conclusions not factually supported do not constitute a complete written analysis. As part of the written statement the applicant must also include (i) whether and why the proposed support is a "structure" as defined by the FCC in 47 C.F.R. § 1.6002(m); and (ii) whether and why the proposed wireless facility meets each required finding as provided in Section 2.4.
- (7) **RF Compliance Report.** The applicant shall submit an RF exposure compliance report that certifies that the proposed small wireless facility, as well as any collocated wireless facilities, will comply with applicable federal RF exposure standards and exposure limits. The RF report must be prepared and certified by an RF engineer acceptable to the City. The RF report must include the actual frequency and power levels (in watts effective radiated power) for all existing and proposed antennas at the site and exhibits that show the location and orientation of all transmitting antennas and the boundaries of areas with RF exposures in excess of the uncontrolled/general population limit (as that term is defined by the FCC) and also the boundaries of areas with RF exposures in excess of the controlled/occupational limit (as that term is defined by the FCC). Each such boundary shall be

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clearly marked and identified for every transmitting antenna at the project site.

- (8) **Regulatory Authorization.** The applicant shall submit evidence of the applicant's regulatory status under federal and California law to provide the services and construct the small wireless facility proposed in the application.
- (9) **Site Agreement.** For any small wireless facility proposed to be installed on any structure located within the public rights-of-way, the applicant shall submit a partially-executed site agreement on a form prepared by the City that states the terms and conditions for such use by the applicant. No changes shall be permitted to the City's form site agreement except as may be indicated on the form itself. Any unpermitted changes to the City's form site agreement shall be deemed a basis to deem the application incomplete. Refusal to accept the terms and conditions in the City's site agreement shall be an independently sufficient basis to deny the application.
- (10) **Property Owner's Authorization.** The applicant must submit a written authorization signed by the property owner that authorizes the applicant to submit a wireless application in connection with the subject property and, if the wireless facility is proposed on a utility-owned support structure, submit a written final utility design authorization from the utility.
- (11) **Acoustic Analysis.** The applicant shall submit an acoustic analysis prepared and certified by an engineer licensed by the State of California for the proposed small wireless facility and all associated equipment including all environmental control units, sump pumps, temporary backup power generators and permanent backup power generators demonstrating compliance with the City's noise regulations. The acoustic analysis must also include an analysis of the manufacturers' specifications for all noise-emitting equipment and a depiction of the proposed equipment relative to all adjacent property lines. In lieu of an acoustic analysis, the applicant may submit evidence from the equipment manufacturer(s) that the ambient noise emitted from all the proposed equipment will not, both individually and cumulatively, exceed the applicable noise limits.
- (12) **Justification for Non-Preferred Location or Structure.** If a facility is proposed anywhere other than the most preferred location or the most preferred structure within 500 feet of the proposed location as described in Section 2.6, the applicant shall demonstrate with clear and convincing written evidence all of the following:
 - (A) A clearly defined technical service objective and a map showing areas that meet that objective;

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- (B) A technical analysis that includes the factual reasons why a more preferred location(s) and/or more preferred structure(s) within 500 feet of the proposed location is not technically feasible;
 - (C) Bare conclusions that are not factually supported do not constitute clear and convincing written evidence.
- (b) **Additional Requirements.** The City Council authorizes the approval authority to develop, publish and from time to time update or amend permit application requirements, forms, checklists, guidelines, informational handouts and other related materials that the approval authority finds necessary, appropriate or useful for processing any application governed under this Policy. All such requirements and materials must be in written form and publicly stated to provide all interested parties with prior notice.

SECTION 2.3. SMALL WIRELESS FACILITY PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REVIEW

- (a) **Requirements for a Duly Filed Application.** Any application for a small wireless facility permit will not be considered duly filed unless submitted in accordance with the requirements in this subsection (a).
- (1) **Submittal Appointment.** All applications must be submitted to the City at a pre-scheduled appointment with the approval authority. Potential applicants may generally submit either one application or one batched application per appointment as provided below. Potential applicants may schedule successive appointments for multiple applications whenever feasible and not prejudicial to other applicants for any other development project. The approval authority shall use reasonable efforts to offer an appointment within five working days after the approval authority receives a written request from a potential applicant. Any purported application received without an appointment, whether delivered in-person, by mail or through any other means, will not be considered duly filed, whether the City retains, returns or destroys the materials received.
 - (2) **Pre-Submittal Conferences.** The City encourages, but does not require, potential applicants to schedule and attend a pre-submittal conference with the approval authority for all proposed projects that involve small wireless facilities. A voluntary pre-submittal conference is intended to streamline the review process through informal discussion between the potential applicant and staff that includes, without limitation, the appropriate project classification and review process; any latent issues in connection with the proposed project, including compliance with generally applicable rules for public health and safety; potential concealment issues or concerns (if applicable); coordination with other City departments responsible for application review; and application completeness issues.

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- (b) **Applications Deemed Withdrawn.** To promote efficient review and timely decisions, and to mitigate unreasonable delays or barriers to entry caused by chronically incomplete applications, any application governed under this Policy will be automatically deemed withdrawn by the applicant when the applicant fails to tender a substantive response to the approval authority within 60 calendar days after the approval authority deems the application incomplete in a written notice to the applicant. As used in this subsection (b), a "substantive response" must include the materials identified as incomplete in the approval authority's notice.
- (c) **Batched Applications.** Applicants may submit applications individually or in a batch; provided, that the number of small wireless facilities in a batch should be limited to five and all facilities in the batch should be substantially the same with respect to equipment, configuration, and support structure. Applications submitted as a batch shall be reviewed together, provided that each application in the batch must meet all the requirements for a complete application, which includes without limitation the application fee for each application in the batch. If any individual application within a batch is deemed incomplete, the entire batch shall be automatically deemed incomplete. If any application is withdrawn or deemed withdrawn from a batch, all other applications in the same batch shall be automatically deemed withdrawn. If any application in a batch fails to meet the required findings for approval, the entire batch shall be denied.
- (d) **Additional Procedures.** The City Council authorizes the approval authority to establish other reasonable rules and regulations for duly filed applications, which may include without limitation regular hours for appointments with applicants, as the approval authority deems necessary or appropriate to organize, document and manage the application intake process. All such rules and regulations must be in written form and publicly stated to provide all interested parties with prior notice.

SECTION 2.4. APPROVALS AND DENIALS

- (a) **Review by Approval Authority.** The approval authority shall review a complete and duly filed application for a small wireless facility and may act on such application without prior notice or a public hearing.
- (b) **Required Findings.** The approval authority may approve or conditionally approve a complete and duly filed application for a small wireless facility permit when the approval authority finds:
 - (1) The proposed project meets the definition for a "small wireless facility" as defined by the FCC;
 - (2) The proposed facility would be in the most preferred location within 500 feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record

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that any more-preferred location(s) within 500 feet would be technically infeasible;

- (3) The proposed facility would not be located on a prohibited support structure identified in this Policy;
 - (4) The proposed facility would be on the most preferred support structure within 500 feet from the proposed site in any direction or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred support structure(s) within 500 feet would be technically infeasible;
 - (5) The proposed facility complies with all applicable design standards in this Policy;
 - (6) The applicant has demonstrated that the proposed project will be in planned compliance with all applicable FCC regulations and guidelines for human exposure to RF emissions.
- (c) **Conditional Approvals; Denials without Prejudice.** Subject to any applicable federal or California laws, nothing in this Policy is intended to limit the approval authority's ability to conditionally approve or deny without prejudice any small wireless facility permit application as may be necessary or appropriate to ensure compliance with this Policy.
- (d) **Decision Notices.** Within five calendar days after the approval authority acts on a small wireless facility permit application or before the FCC Shot Clock expires (whichever occurs first), the approval authority shall notify the applicant by written notice. If the approval authority denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
- (e) **Appeals.** Any decision by the approval authority shall be final and not subject to any administrative appeals.

SECTION 2.5. STANDARD CONDITIONS OF APPROVAL

- (a) **General Conditions.** In addition to all other conditions adopted by the approval authority permits issued under this Policy shall be automatically subject to the conditions in this subsection (a).
- (1) **Permit Term.** This permit will automatically expire 10 years and one day from its issuance unless California Government Code § 65964(b) authorizes the City to establish a shorter term for public safety reasons. Any other permits or approvals issued in connection with any collocation, modification or other change to this wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed-approved under federal or state law, will not

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extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law.

- (2) **Permit Renewal.** Within one (1) year before the expiration date of this permit, the permittee may submit an application for permit renewal. To be eligible for renewal, the permittee must demonstrate that the subject wireless facility is in compliance with all the conditions of approval associated with this permit and all applicable provisions in the Upland Municipal Code and this Policy that exist at the time the decision to renew the permit is rendered. The approval authority shall have discretion to modify or amend the conditions of approval for permit renewal on a case-by-case basis as may be necessary or appropriate to ensure compliance with this Policy. Upon renewal, this permit will automatically expire 10 years and one day from its issuance, except when California Government Code § 65964(b), as may be amended or superseded in the future, authorizes the City to establish a shorter term for public safety reasons.
- (1) **Post-Installation Certification.** Within 60 calendar days after the permittee commences full, unattended operations of a small wireless facility approved or deemed-approved, the permittee shall provide the approval authority with documentation reasonably acceptable to the approval authority that the small wireless facility has been installed and/or constructed in strict compliance with the approved construction drawings and photo simulations. Such documentation shall include without limitation as-built drawings, and site photographs.
- (2) **Build-Out Period.** This small wireless facility permit will automatically expire six (6) months from the approval date unless the permittee obtains all other permits and approvals required to install, construct and/or operate the approved small wireless facility, which includes without limitation any permits or approvals required by the any federal, state or local public agencies with jurisdiction over the subject property, the small wireless facility or its use. If this build-out period expires, the City will not extend the build-out period, but the permittee may resubmit a complete application, including all application fees, for the same or substantially similar project.
- (3) **Site Maintenance.** The permittee shall keep the site, which includes without limitation any and all improvements, equipment, structures, access routes, fences and landscape features, in a neat, clean and safe condition in accordance with the approved construction drawings and all conditions in this small wireless facility permit. The permittee shall keep the site area free from all litter and debris at all times. The permittee, at no cost to the City, shall remove and remediate any graffiti or other vandalism at the site within 48 hours after the permittee receives notice or otherwise becomes aware that such graffiti or other vandalism occurred.

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- (4) **Compliance with Laws.** The permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law ("laws") applicable to the permittee, the subject property, the small wireless facility or any use or activities in connection with the use authorized in this small wireless facility permit, which includes without limitation any laws applicable to human exposure to RF emissions. The permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen the permittee's obligations to maintain compliance with all laws. No failure or omission by the City to timely notice, prompt or enforce compliance with any applicable provision in the Upland Municipal Code, this Policy any permit, any permit condition or any applicable law or regulation, shall be deemed to relieve, waive or lessen the permittee's obligation to comply in all respects with all applicable provisions in the Upland Municipal Code, this Policy, any permit, any permit condition or any applicable law or regulation.
- (5) **Adverse Impacts on Other Properties.** The permittee shall use all reasonable efforts to avoid any and all unreasonable, undue or unnecessary adverse impacts on nearby properties that may arise from the permittee's or its authorized personnel's construction, installation, operation, modification, maintenance, repair, removal and/or other activities on or about the site. The permittee shall not perform or cause others to perform any construction, installation, operation, modification, maintenance, repair, removal or other work that involves heavy equipment or machines except during normal construction work hours authorized by the Upland Municipal Code. The restricted work hours in this condition will not prohibit any work required to prevent an actual, immediate harm to property or persons, or any work during an emergency declared by the City or other state or federal government agency or official with authority to declare a state of emergency within the City. The approval authority may issue a stop work order for any activities that violate this condition in whole or in part.
- (6) **Inspections; Emergencies.** The permittee expressly acknowledges and agrees that the City's officers, officials, staff, agents, contractors or other designees may enter onto the site and inspect the improvements and equipment City's officers, officials, staff, agents, contractors or other designees may, but will not be obligated to, enter onto the site area without prior notice to support, repair, disable or remove any improvements or equipment in emergencies or when such improvements or equipment threatens actual, imminent harm to property or persons. The permittee, if present, may observe the City's officers, officials, staff or other designees while any such inspection or emergency access occurs.

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- (7) **Permittee's Contact Information.** Within 10 days from the final approval, the permittee shall furnish the City with accurate and up-to-date contact information for a person responsible for the small wireless facility, which includes without limitation such person's full name, title, direct telephone number, facsimile number, mailing address and email address. The permittee shall keep such contact information up-to-date at all times and promptly provide the City with updated contact information if either the responsible person or such person's contact information changes.
- (8) **Indemnification.** The permittee shall defend, indemnify and hold harmless the City, City Council and the City's boards, commissions, agents, officers, officials, employees and volunteers (collectively, the "indemnitees") from any and all (i) damages, liabilities, injuries, losses, costs and expenses and from any and all claims, demands, law suits, writs and other actions proceedings ("claims") brought against the indemnitees to challenge, attack, seek to modify, set aside, void or annul the City's approval of this permit, and (ii) other claims of any kind or form, whether for personal injury, death or property damage, that arise from or in connection with the permittee's or its agents', directors', officers', employees', contractors', subcontractors', licensees' or customers' acts or omissions in connection with this small cell permit or the small wireless facility. In the event the City becomes aware of any claims, the City will use its best efforts to promptly notify the permittee and shall reasonably cooperate in the defense. The permittee expressly acknowledges and agrees that the City shall have the right to approve, which approval shall not be unreasonably withheld, the legal counsel providing the City's defense, and the permittee shall promptly reimburse City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. The permittee expressly acknowledges and agrees that the permittee's indemnification obligations under this condition are a material consideration that motivates the City to approve this small cell permit, and that such indemnification obligations will survive the expiration, revocation or other termination of this small cell permit.
- (9) **Performance Bond.** Applicable to small wireless facilities within public rights-of-way. Before the City issues any permits required to commence construction in connection with this permit, the permittee shall post a performance bond from a surety and in a form acceptable to the approval authority in an amount reasonably necessary to cover the cost to remove the improvements and restore all affected areas based on a written estimate from a qualified contractor with experience in wireless facilities removal. The written estimate must include the cost to remove all equipment and other improvements, which includes without limitation all antennas, radios, batteries, generators, utilities, cabinets, mounts, brackets, hardware, cables, wires, conduits, structures, shelters, towers, poles, footings and

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foundations, whether above ground or below ground, constructed or installed in connection with the wireless facility, plus the cost to completely restore any areas affected by the removal work to a standard compliant with applicable laws. In establishing or adjusting the bond amount required under this condition, and in accordance with California Government Code § 65964(a), the approval authority shall take into consideration any information provided by the permittee regarding the cost to remove the wireless facility to a standard compliant with applicable laws. The performance bond shall expressly survive the duration of the permit term to the extent required to effectuate a complete removal of the subject wireless facility in accordance with this condition.

- (10) **Permit Revocation.** The approval authority may recall this approval for review at any time due to complaints about noncompliance with applicable laws or any approval conditions attached to this approval after notice and an opportunity to cure the violation is provided to the permittee. If the noncompliance thereafter continues, the approval authority may, following notice and an opportunity for the permittee to be heard (which hearing may be limited to written submittals), revoke this approval or amend these conditions as the approval authority deems necessary or appropriate to correct any such noncompliance.
- (11) **Record Retention.** Applicable to small wireless facilities within public rights-of-way. The permittee must maintain complete and accurate copies of all permits and other regulatory approvals issued in connection with the wireless facility, which includes without limitation this approval, the approved plans and photo simulations incorporated into this approval, all conditions associated with this approval and any ministerial permits or approvals issued in connection with this approval. In the event that the permittee does not maintain such records as required in this condition, any ambiguities or uncertainties that would be resolved through an inspection of the missing records will be construed against the permittee. The permittee may keep electronic records; provided, however, that hard copies or electronic records kept in the City's regular files will control over any conflicts between such City-controlled copies or records and the permittee's electronic copies, and complete originals will control over all other copies in any form.
- (12) **Abandoned Wireless Facilities.** A small wireless facility shall be deemed abandoned if not operated for any continuous six-month period. Within 90 days after a small wireless facility is abandoned or deemed abandoned, the permittee shall completely remove the small wireless facility and all related improvements and shall restore all affected areas to a condition compliant with all applicable laws, which includes without limitation the Upland Municipal Code. In the event that the permittee does not comply with the removal and restoration

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obligations under this condition within said 90-day period, the City shall have the right (but not the obligation) to perform such removal and restoration with or without notice, and the permittee shall be liable for all costs and expenses incurred by the City in connection with such removal and/or restoration activities.

- (13) **Landscaping.** The permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by the permittee or at the permittee's direction on or about the site. If any trees are damaged or displaced, the permittee shall hire and pay for a licensed arborist to select, plant and maintain replacement landscaping in an appropriate location for the species. Only workers under the supervision of a licensed arborist shall be used to install the replacement tree(s). Any replacement tree must be substantially the same size as the damaged tree unless otherwise approved by the approval authority. The permittee shall, at all times, be responsible to maintain any replacement landscape features.
- (14) **Cost Reimbursement.** Applicable to small wireless facilities within public rights-of-way. The permittee acknowledges and agrees that (i) the permittee's request for authorization to construct, install and/or operate the wireless facility will cause the City to incur costs and expenses; (ii) the permittee shall be responsible to reimburse the City for all costs incurred in connection with the permit, which includes without limitation costs related to application review, permit issuance, site inspection and any other costs reasonably related to or caused by the request for authorization to construct, install and/or operate the wireless facility; (iii) any application fees required for the application may not cover all such reimbursable costs and that the permittee shall have the obligation to reimburse City for all such costs 10 days after a written demand for reimbursement and reasonable documentation to support such costs; and (iv) the City shall have the right to withhold any permits or other approvals in connection with the wireless facility unless and until any outstanding costs have been reimbursed to the City by the permittee.
- (15) **Future Undergrounding Programs.** Applicable to small wireless facilities within public rights-of-way. Notwithstanding any term remaining on any small cell permit, if other utilities or communications providers in the public rights-of-way underground their facilities in the segment of the public rights-of-way where the permittee's small wireless facility is located, the permittee must also underground its equipment, except the antennas and any approved electric meter, at approximately the same time. Accessory equipment such as radios and computers that require an environmentally controlled underground vault to function shall not be exempt from this condition. Small wireless facilities installed on wood utility poles that will be removed

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pursuant to the undergrounding program may be reinstalled on a streetlight that complies with the City's standards and specifications. Such undergrounding shall occur at the permittee's sole cost and expense except as may be reimbursed through tariffs approved by the state public utilities commission for undergrounding costs.

- (16) **Electric Meter Upgrades.** Applicable to small wireless facilities within public rights-of-way. If the commercial electric utility provider adopts or changes its rules obviating the need for a separate or ground-mounted electric meter and enclosure, the permittee on its own initiative and at its sole cost and expense shall remove the separate or ground-mounted electric meter and enclosure. Prior to removing the electric meter, the permittee shall apply for any encroachment and/or other ministerial permit(s) required to perform the removal. Upon removal, the permittee shall restore the affected area to its original condition that existed prior to installation of the equipment.
- (17) **Rearrangement and Relocation.** Applicable to small wireless facilities within public rights-of-way. The permittee acknowledges that the City, in its sole discretion and at any time, may: (i) change any street grade, width or location; (ii) add, remove or otherwise change any improvements in, on, under or along any street owned by the City or any other public agency, which includes without limitation any sewers, storm drains, conduits, pipes, vaults, boxes, cabinets, poles and utility systems for gas, water, electric or telecommunications; and/or (iii) perform any other work deemed necessary, useful or desirable by the City (collectively, "City work"). The City reserves the rights to do any and all City work without any admission on its part that the City would not have such rights without the express reservation in this small cell permit. If the Public Works Director determines that any City work will require the permittee's small wireless facility located in the public rights-of-way to be rearranged and/or relocated, the permittee shall, at its sole cost and expense, do or cause to be done all things necessary to accomplish such rearrangement and/or relocation. If the permittee fails or refuses to either permanently or temporarily rearrange and/or relocate the permittee's small wireless facility within a reasonable time after the Public Works Director's notice, the City may (but will not be obligated to) cause the rearrangement or relocation to be performed at the permittee's sole cost and expense. The City may exercise its rights to rearrange or relocate the permittee's small wireless facility without prior notice to permittee when the Public Works Director determines that the City work is immediately necessary to protect public health or safety. The permittee shall reimburse the City for all costs and expenses in connection with such work within 10 days after a written demand for reimbursement and reasonable documentation to support such costs.

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SECTION 2.6. LOCATION REQUIREMENTS

- (a) **Preface to Location Requirements.** To better assist applicants and decisionmakers to understand and respond to the community's aesthetic preferences and values, subsections (b) and (c) set out listed preferences for locations and support structures to be used in connection with small wireless facilities in an ordered hierarchy. Applications that involve less-preferred locations or structures may be approved so long as the applicant demonstrates that either (1) no more preferred locations or structures exist within 500 feet from the proposed site; or (2) any more preferred locations or structures within 500 feet from the proposed site would be technically infeasible as supported by clear and convincing evidence in the written record. Subsection (d) identifies "prohibited" support structures on which the City shall not approve any small cell permit application for any competitor or potential competitor.
- (b) **Locational Preferences.** The City prefers small wireless facilities to be installed in locations, ordered from most preferred to least preferred, as follows:
- (1) any location in a non-residential zone or non-residential Specific Plan designation;
 - (2) any location within a mixed-use zone that allows non-residential and residential uses;
 - (3) any location in a residential zone or residential Specific Plan that is 200 feet or more from any structure approved for a residential use;
 - (4) If located in a residential area, a location that is on a designated arterial or collector street;
 - (5) any location along Euclid Avenue from the southern to the northern City limit line;
 - (6) any location within a designated local, State or federal historic district;
 - (7) any parcel or right-of-way within 500 feet of a school site.
- (c) **Support Structures in Public Rights-of-Way.** The City prefers small wireless facilities to be installed on support structures in the public rights-of-way, ordered from most preferred to least preferred, as follows:
- (1) Existing or replacement streetlight poles;
 - (2) New, non-replacement streetlight poles;
 - (3) New or replacement traffic signal poles;

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- (4) New, non-replacement poles;
 - (5) Existing or replacement wood utility poles.
- (d) **Prohibited Support Structures in Public Rights-of-Way.** The City prohibits small wireless facilities to be installed on the following support structures:
- (1) Decorative poles;
 - (2) Signs;
 - (3) Any utility pole scheduled for removal or relocation within 12 months from the time the approval authority acts on the small cell permit application;
 - (4) New, non-replacement wood poles.

SECTION 2.7. DESIGN STANDARDS

(a) **General Standards.**

- (1) **Noise.** Noise emitted from small wireless facilities and all accessory equipment and transmission equipment must comply with all applicable City noise control standards.
- (2) **Lights.** Small wireless facilities shall not include any lights that would be visible from publicly accessible areas, except as may be required under Federal Aviation Administration, FCC, other applicable regulations for health and safety. All equipment with lights (such as indicator or status lights) must be installed in locations and within enclosures that mitigate illumination impacts visible from publicly accessible areas. The provisions in this subsection (a)(2) shall not be interpreted or applied to prohibit installations on streetlights or luminaires installed on new or replacement poles as may be required under this Policy.
- (3) **Landscape Features.** No small wireless facility shall encroach into the protected zone of any designated heritage or landmark tree. Small wireless facilities shall not displace any other existing landscape features unless: (A) such displaced landscaping is replaced with native and/or drought-resistant plants, trees or other landscape features approved by the approval authority and (B) the applicant submits and adheres to a landscape maintenance plan. The landscape plan must include existing vegetation, and vegetation proposed to be removed or trimmed, and the landscape plan must identify proposed landscaping by species type, size and location. Landscaping and landscape maintenance must be performed in accordance with all applicable provisions of the Upland Municipal Code.

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- (4) **Site Security Measures.** Small wireless facilities may incorporate reasonable and appropriate site security measures, such as locks and anti-climbing devices, to prevent unauthorized access, theft or vandalism. The approval authority shall not approve any barbed wire, razor ribbon, electrified fences or any similarly dangerous security measures. All exterior surfaces on small wireless facilities shall be constructed from or coated with graffiti-resistant materials.
 - (5) **Signage; Advertisements.** All small wireless facilities must include signage not to exceed one (1) square feet in sign area that accurately identifies the site owner/operator, the owner/operator's site name or identification number and a toll-free number to the owner/operator's network operations center. Small wireless facilities may not bear any other signage or advertisements unless expressly approved by the City, required by law or recommended under FCC, Occupational Safety and Health Administration or other United States governmental agencies for compliance with RF emissions regulations.
 - (6) **Compliance with Health and Safety Regulations.** All small wireless facilities shall be designed, constructed, operated and maintained in compliance with all generally applicable health and safety regulations, which includes without limitation all applicable regulations for human exposure to RF emissions and compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 *et seq.*).
 - (7) **Overall Height.** Small wireless facilities must comply with the minimum separation from electrical lines required by applicable safety regulations (such as CPUC General Order 95 and 128).
- (b) **Small Wireless Facilities within Public Rights-of-Way.**
- (1) **Antennas.**
 - (A) **Concealment.** All antennas and associated mounting equipment, hardware, cables or other connectors must be completely concealed within an opaque antenna shroud or radome. The antenna shroud or radome must be painted a flat, non-reflective color to match the underlying support structure.
 - (B) **Antenna Volume.** Each individual antenna may not exceed three cubic feet in volume.
 - (2) **Accessory Equipment.**
 - (A) **Installation Preferences.** All non-antenna accessory equipment shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground in any area in which the existing utilities are primarily located underground; (ii) on the pole or support

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structure; or (iii) integrated into the base of the pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that no more preferred installation location would be technically feasible as supported by clear and convincing evidence in the written record.

- (B) **Undergrounded Accessory Equipment.** All undergrounded accessory equipment must be installed in an environmentally controlled vault that is load-rated to meet the City's standards and specifications. Underground vaults located beneath a sidewalk must be constructed with a slip-resistant cover. Vents for airflow shall be flush-to-grade when placed within the sidewalk and may not exceed two feet above grade when placed off the sidewalk. Applicants shall not be permitted to install an underground vault in a location that would cause any existing tree to be materially damaged or displaced. The Noise restrictions apply to underground equipment as well, especially ventilation/cooling equipment.
- (C) **Pole-Mounted Accessory Equipment.** All pole-mounted accessory equipment must be installed flush to the pole to minimize the overall visual profile. If any applicable health and safety regulations prohibit flush-mounted equipment, the maximum separation permitted between the accessory equipment and the pole shall be the minimum separation required by such regulations. All pole-mounted equipment and required or permitted signage must be placed and oriented away from adjacent sidewalks and structures. Pole-mounted equipment may be installed behind street, traffic or other signs to the extent that the installation complies with applicable public health and safety regulations. All cables, wires and other connectors must be routed through conduits within the pole, and all conduit attachments, cables, wires and other connectors must be concealed from public view. To the extent that cables, wires and other connectors cannot be routed through the pole, applicants shall route them through a single external conduit or shroud that has been finished to match the underlying support structure.
- (D) **Base-Mounted Accessory Equipment.** All base-mounted accessory equipment must be installed within a shroud, enclosure or pedestal integrated into the base of the support structure. All cables, wires and other connectors routed between the antenna and base-mounted equipment must be concealed from public view.
- (E) **Ground-Mounted Accessory Equipment.** The approval authority shall not approve any ground-mounted accessory

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equipment including, but not limited to, any utility or transmission equipment, pedestals, cabinets, panels or electric meters.

- (F) **Accessory Equipment Volume.** All accessory equipment associated with a small wireless facility installed above ground level shall not cumulatively exceed: (i) nine (9) cubic feet in volume if installed in a residential district; or (ii) seventeen (17) cubic feet in volume if installed in a non-residential district. The volume calculation shall include any shroud, cabinet or other concealment device used in connection with the non-antenna accessory equipment. The volume calculation shall not include any equipment or other improvements placed underground.
- (3) **Streetlights.** Applicants that propose to install small wireless facilities on an existing streetlight must remove and replace the existing streetlight with one substantially similar to the design(s) for small wireless facilities on streetlights described in the City's Road Design and Construction Standards. To mitigate any material changes in the streetlighting patterns, the replacement pole must: (A) be located as close to the removed pole as possible; (B) be aligned with the other existing streetlights; and (C) include a luminaire at substantially the same height and distance from the pole as the luminaire on the removed pole. All antennas must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
- (4) **Wood Utility Poles.** Applicants that propose to install small wireless facilities on an existing wood utility pole must install all antennas in a radome above the pole unless the applicant demonstrates that mounting the antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record. Side-mounted antennas on a stand-off bracket or extension arm must be concealed within a shroud. All cables, wires and other connectors must be concealed within the radome and stand-off bracket. The maximum horizontal separation between the antenna and the pole shall be the minimum separation required by applicable health and safety regulations.
- (5) **New, Non-Replacement Poles.** Applicants that propose to install a small wireless facility on a new, non-replacement pole must install a new streetlight substantially similar to the City's standards and specifications but designed to accommodate wireless antennas and accessory equipment located immediately adjacent to the proposed location. If there are no existing streetlights in the immediate vicinity, the applicant may install a metal or composite pole capable of concealing all the accessory equipment either within the pole or within an integrated enclosure located at the base of the pole. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches. All

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antennas, whether on a new streetlight or other new pole, must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.

- (6) **Encroachments over Private Property.** Small wireless facilities may not encroach onto or over any private or other property outside the public rights-of-way without the property owner's express written consent.
- (7) **Backup Power Sources.** Fossil-fuel based backup power sources shall not be permitted within the public rights-of-way; provided, however, that connectors or receptacles may be installed for temporary backup power generators used in an emergency declared by federal, state or local officials.
- (8) **Obstructions; Public Safety and Circulation.** Small wireless facilities and any associated equipment or improvements shall not physically interfere with or impede access to any: (A) worker access to any aboveground or underground infrastructure for traffic control, streetlight or public transportation, including without limitation any curb control sign, parking meter, vehicular traffic sign or signal, pedestrian traffic sign or signal, barricade reflectors; (B) access to any public transportation vehicles, shelters, street furniture or other improvements at any public transportation stop; (C) worker access to above-ground or underground infrastructure owned or operated by any public or private utility agency; (D) fire hydrant or water valve; (E) access to any doors, gates, sidewalk doors, passage doors, stoops or other ingress and egress points to any building appurtenant to the rights-of-way; (F) access to any fire escape or (G) above ground improvements must be setback a minimum of 2 feet from existing or planned sidewalks, trails, curb faces or road surfaces.
- (9) **Utility Connections.** All cables and connectors for telephone, data backhaul, primary electric and other similar utilities must be routed underground in conduits large enough to accommodate future collocated wireless facilities. Undergrounded cables and wires must transition directly into the pole base without any external doghouse. All cables, wires and connectors between the underground conduits and the antennas and other accessory equipment shall be routed through and concealed from view within: (A) internal risers or conduits if on a concrete, composite or similar pole; or (B) a cable shroud or conduit mounted as flush to the pole as possible if on a wood pole or other pole without internal cable space. The approval authority shall not approve new overhead utility lines or service drops merely because compliance with the undergrounding requirements would increase the project cost.

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- (10) **Spools and Coils.** To reduce clutter and deter vandalism, excess fiber optic or coaxial cables shall not be spooled, coiled or otherwise stored on the pole outside equipment cabinets or shrouds.
 - (11) **Electric Meters.** Small wireless facilities shall use flat-rate electric service or other method that obviates the need for a separate above-grade electric meter. If flat-rate service is not available, applicants may install a shrouded smart meter. The approval authority shall not approve a separate ground-mounted electric meter pedestal unless required by the utility company.
 - (12) **Street Trees.** To preserve existing landscaping in the public rights-of-way, all work performed in connection with small wireless facilities shall not cause any street trees to be trimmed, damaged or displaced. If any street trees are damaged or displaced, the applicant shall be responsible, at its sole cost and expense, to plant and maintain replacement trees at the site for the duration of the permit term.
 - (13) **Lines of Sight.** No wireless facility shall be located so as to obstruct pedestrian or vehicular lines-of-sight.
- (c) **Small Wireless Facilities Outside of Public Rights-of-Way**
- (1) **Setbacks.** Small wireless facilities on private property may not encroach into any applicable setback for structures in the subject zoning district.
 - (2) **Backup Power Sources.** The Director shall not approve any diesel generators or other similarly noisy or noxious generators in or within 200 feet from any residence; provided, however, the Director may approve sockets or other connections used for temporary backup generators.
 - (3) **Parking; Access.** Any equipment or improvements constructed or installed in connection with any small wireless facilities must not reduce any parking spaces below the minimum requirement for the subject property. Whenever feasible, small wireless facilities must use existing parking and access rather than construct new parking or access improvements. Any new parking or access improvements must be the minimum size necessary to reasonably accommodate the proposed use.
 - (4) **Freestanding Small Wireless Facilities.** All new poles or other freestanding structures that support small wireless facilities must be made from a metal or composite material capable of concealing all the accessory equipment, including cables, mounting brackets, radios, and utilities, either within the support structure or within an integrated enclosure located at the base of the support structure. All antennas must be installed above the pole in a single, canister-style shroud or

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radome. The support structure and all transmission equipment must be painted with flat/neutral colors that match the support structure. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches.

(5) **Small Wireless Facilities on Existing Buildings.**

- (A) All components of building-mounted wireless facilities must be completely concealed and architecturally integrated into the existing facade or rooftop features with no visible impacts from any publicly accessible areas. Examples include, but are not limited to, antennas and wiring concealed behind existing parapet walls or facades replaced with RF-transparent material and finished to mimic the replaced materials.
- (B) If the applicant demonstrates with clear and convincing evidence that integration with existing building features is technically infeasible, the applicant may propose to conceal the wireless facility within a new architectural element designed to match or mimic the architectural details of the building including length, width, depth, shape, spacing, color, and texture.

(6) **Small Wireless Facilities on Existing Lattice Tower Utility Poles**

- (A) Antennas must be flush-mounted to the side of the pole and designed to match the color and texture of the pole. If technologically infeasible to flush-mount an antenna, it may be mounted on an extension arm that protrudes as little as possible from the edge of the existing pole provided that the wires are concealed inside the extension arm. The extension arm shall match the color of the pole.
- (B) Wiring must be concealed in conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
- (C) All accessory equipment must be placed underground unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground accessory equipment mounted on a pole, if any, shall be enclosed in a cabinet that matches the color and finish of the structures on which they are mounted. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.
- (D) No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.

(7) **Small Wireless Facilities on Existing Wood Utility Poles.**

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- (A) All antennas must be installed within a cylindrical shroud (radome) above the top of the pole unless the applicant demonstrates that mounting antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record.
 - (B) All antennas must be concealed within a shroud (radome) designed to match the color of the pole, except as described in (8) (E).
 - (C) No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.
 - (D) If it is technically infeasible to mount an antenna above the pole it may be flush-mounted to the side of the pole. If it is technically infeasible to flush-mount the antenna to the side of the pole it may be installed at the top of a stand-off bracket/extension arm that protrudes as little as possible beyond the side of the pole. Antenna shrouds on stand-off brackets must be a medium gray color to blend in with the daytime sky.
 - (E) Wires must be concealed within the antenna shroud, extension bracket/extension arm and conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
 - (F) All accessory equipment must be placed underground, unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above ground accessory equipment mounted on a pole, if any, shall be enclosed in a cabinet that matches the color and finish of the pole. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.
- (8) **Small Wireless Facilities on Existing Water Reservoirs.**
- (A) Antennas must be mounted as close as possible to the side of the reservoir.
 - (B) No antenna or accessory equipment shall project above the top of the reservoir.
 - (C) Wires must be concealed within a shroud or conduit that is flush-mounted to the reservoir. The conduit and mounting hardware shall match the color of the reservoir.
 - (D) Antennas and antenna shrouds shall be painted to match the color of the reservoir.

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- (E) All accessory equipment must be placed underground unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground equipment cabinets, if any, shall be dark green in color.
- (F) All water reservoir installations must also be approved by the Water District having jurisdiction/ownership.