



CITY OF CANYON LAKE

City Hall

31516 Railroad Canyon Road
Canyon Lake, CA 92587

Website: www.cityofcanyonlake.org

Mayor Larry Greene
Mayor Pro Tem Jordan Ehrenkranz

Council Members:

Randy Bonner
Kasey Castillo
Jeremy Smith

Acting City Manager Mike Borja
City Attorney Elizabeth Martyn
Deputy City Clerk Ana V. Sauseda

AGENDA

Regular Meeting of the Canyon Lake City Council

Wednesday, March 6, 2019

Closed Session 6:00 P.M.

Open Session 6:30 P.M.

COUNCIL CHAMBER

CLOSED SESSION – 6:00 P.M.

CLOSED SESSION CALLED TO ORDER

ROLL CALL Councilmember Bonner, Councilmember Castillo, Mayor Pro Tem Ehrenkranz,
Councilmember Smith, Mayor Greene

PUBLIC COMMENT

Limit 3 Minutes

Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6 - Conference with Labor Negotiators:

Agency Designated Representatives: City Council
Unrepresented employee: City Manager

OPEN SESSION - 6:30 P.M.

OPEN SESSION CALLED TO ORDER

INVOCATION John Hollenbeck - Canyon Lake Community Church Member

FLAG SALUTE

ROLL CALL Councilmember Bonner, Councilmember Castillo, Mayor Pro Tem Ehrenkranz,
Councilmember Smith, Mayor Greene

APPROVAL OF CITY COUNCIL AGENDA

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

- Chamber of Commerce Announcement
- Student of the Month
- Recognition – Canyon Cowboy

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**PUBLIC COMMENT**

**Limit 3 Minutes**

*Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.*

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CONSENT CALENDAR

All items listed on the Consent Calendar are considered to be routine matters, status reports or documents covering previous City Council action. The items listed on the Consent Calendar may be enacted in one motion. With the concurrence of the City Council, a Council Member may request that an item be removed for further discussion. Staff recommends approval of all items.

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Adoption of Resolution No. 2019-05 - Approving Claims and Demands of the City
- (3) City Council Meeting Minutes
 - February 6, 2019
 - February 13, 2019
- (4) Authorization to Purchase Golf Community Caution Signs with Statewide Traffic Safety & Signs
- (5) Approve Second Reading and Adoption of Ordinance No. 179 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE REPEALING AND READOPTING CHAPTER 5.01 REGARDING BUSINESS LICENSES TO UPDATE PROVISIONS AND ADDRESS MOBILE VENDORS AND ENFORCEMENT

PULLED CONSENT CALENDAR ITEMS

SCHEDULE OF FUTURE EVENTS

BUSINESS ITEMS

- (6) Appointment of City Manager
- Approve Employment Agreement with Chris Mann
 - Approve Resolution No. 2019-06 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPOINTING CHRIS MANN AS THE CITY MANAGER, CITY TREASURER AND CITY CLERK
 - Approve Resolution No. 2019-07 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, UPDATING AUTHORIZED ACCOUNT SIGNATORIES AND AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)
 - Approve Resolution No. 2019-08 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, UPDATING AUTHORIZED ACCOUNT SIGNATORIES FOR CITIZEN'S BUSINESS BANK
- (7) Approval of Fiscal Year 2017-2018 Audited Financial Statements
- (8) Introduction and First Reading of Ordinance No.180 - AN ORDINANCE OF THE CITY OF CANYON LAKE ADDING CHAPTER 8.40 ESTABLISHING AND PROVIDING FOR A COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY RENTAL LIFE/SAFETY BUILDING AND OCCUPANCY INSPECTION PROGRAM AND PROVIDING A FEE THEREFORE

CITY MANAGER COMMENTS

COMMITTEE AND COUNCIL REPORTS/COMMENTS:

- Council Member Bonner
- Council Member Castillo
- Mayor Pro Tem Ehrenkranz
- Council Member Smith
- Mayor Greene

ANNOUNCEMENTS

The next regular meeting will be **Wednesday, April 3, 2019 at 5:30 for Closed Session & 6:30 p.m. for Open Session**

RECESS TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL PURSUANT TO GOVT. CODE SECTION 54956.9(d)(2) – pending litigation – 1 case

ADJOURNMENT

VISION STATEMENT

The vision of the City of Canyon Lake is to be a City that provides a quality of life that makes Canyon Lake the premier place to live in Southern California.

ATTENTION RESIDENTS:

Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityofcanyonlake.org once the agenda has been publicly posted. Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting. It is the intention of the City of Canyon Lake to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or participant at this meeting, you will need special assistance beyond what is normally provided, the City of Canyon Lake will attempt to accommodate you in every reasonable manner. Please contact Aaron Palmer, City Manager/City Clerk, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

March 6, 2019 City Council Meeting


**STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } SS. AFFIDAVIT OF POSTING
CITY OF CANYON LAKE }**

I, Ana V. Sauseda, being duly sworn, depose and say that I am the duly appointed and qualified Deputy City Clerk of the City of Canyon Lake and that on March 1, 2019 before the hour of 5:00 p.m., I caused the above notice to be posted as required by Resolution 2015-36 of the City Council of the City of Canyon Lake.

**Ana V. Sauseda
Deputy City Clerk**

City of Canyon Lake
City Council
Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Mike Borja, Acting City Manager
BY: Lisa Casillas, Accountant
DATE: March 6, 2019
SUBJECT: List of Demands



Recommendation:

That the City Council adopt a resolution entitled: RESOLUTION NO. 2019-05

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CANYON LAKE ALLOWING CERTAIN
CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A

Background:

All claims and demands are reported and summarized for review and approval by the City Council on a routine basis at each City Council meeting. The attached claims represent the paid claims and demands since the City Council meeting of February 6, 2019.

Budget (or Fiscal) Impact:

All claims and demands are paid from appropriated funds or authorized resources of the City and have been recorded in accordance with the City's policies.

Attachments:

1. Resolution No. 2019-05
2. List of Demands

RESOLUTION NO. 2019-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A

The City Council of the City of Canyon Lake does hereby resolve as follows:

Demands are approved as shown on the Demand\Warrant Register of March 6th, in the amount of \$413,985.24 as follows:

Payroll Earnings (Gross)	\$ 43,715.28	(2nd Half of January & 1st Half of February)
Payroll Taxes - Employer	1,986.92	(2nd Half of January & 1st Half of February)
On-line Retirement	4,580.28	(2nd Half of January & 1st Half of February)
On-line Health	136.69	(For the Month of February)
Nationwide Deferred Comp.	352.84	(For the Month of January)
General	363,213.23	
TOTAL	<u>\$ 413,985.24</u>	

PASSED, APPROVED AND ADOPTED this 6th day of March, 2019.

Larry Greene, Mayor

ATTEST:

Ana V. Sauseda, Deputy City Clerk

State of California
County of Riverside) ss
City of Canyon Lake)

I, Ana V. Sauseda, Deputy City Clerk of the City of Canyon Lake, California, DO HEREBY CERTIFY, that the foregoing is a true and correct copy of the Resolution No. 2019-05 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting thereof, held on March 6, 2019, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Ana V. Sauseda, Deputy City Clerk

CLAIMS AND DEMANDS

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24839	2/6/2019	Aflac	Supplemental Insurance January 2019	378.22	10	GENERAL
Total 24839	2/6/2019			378.22		
24840	2/6/2019	AMERICAN FORENSIC NURSES INC	Sheriff's Blood Draws December 2018	55.00	10	GENERAL
Total 24840	2/6/2019			55.00		
24841	2/6/2019	Control Pump	Install Interior Lighting	1,985.90	20	GAS TAX
24841	2/6/2019	Control Pump	Install PLC/HMI Upgrade	21,681.00	20	GAS TAX
24841	2/6/2019	Control Pump	Replace Faulty Limit Switch on Amiad Filter	464.00	20	GAS TAX
Total 24841	2/6/2019			24,130.90		
24842	2/6/2019	Corelogic Information Solutions, INC.	Code Enforcement Data Base January 2019	130.00	10	GENERAL
Total 24842	2/6/2019			130.00		
24843	2/6/2019	CTAI Pacific Greenscape	Fire Station Landscape Maintenance Service January 2019	250.00	10	GENERAL
24843	2/6/2019	CTAI Pacific Greenscape	Cleanup Trees and Debris	1,100.00	20	GAS TAX
24843	2/6/2019	CTAI Pacific Greenscape	Emergency Boulder Removal	250.00	20	GAS TAX
24843	2/6/2019	CTAI Pacific Greenscape	Median and Parkways Landscape Maintenance Service Jan 2019	5,000.00	20	GAS TAX
Total 24843	2/6/2019			6,600.00		
24844	2/6/2019	THE GAS COMPANY	Gas, 12/31/18-1/30/19	178.21	10	GENERAL
Total 24844	2/6/2019			178.21		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Numb...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24845	2/6/2019	Interwest Consulting Group	Building and Safety Services December 2018	15,565.30	10	GENERAL
Total 24845	2/6/2019			15,565.30		
24846	2/6/2019	Joe's Hardware	Supplies, Fire Station	13.98	10	GENERAL
Total 24846	2/6/2019			13.98		
24847	2/6/2019	NP Solutions, Inc.	2019 Abila Support Plan	595.00	10	GENERAL
Total 24847	2/6/2019			595.00		
24848	2/6/2019	County Executive Office	Miscellaneous Admin Expenses 2nd Qtr FY 18/19	1,002.57	10	GENERAL
Total 24848	2/6/2019			1,002.57		
24849	2/6/2019	Riverside Co. Recorders Office	Fee for Exemption for Adoption of City Wide Fee Resolution	50.00	10	GENERAL
Total 24849	2/6/2019			50.00		
24850	2/6/2019	RIV. CO. SHERIFF'S DEPT., Acctg & Fin	Contract Law Enforcement 11/8/18-12/5/18	122,414.56	10	GENERAL
Total 24850	2/6/2019			122,414.56		
24851	2/6/2019	SAFAI CORPORATION	Planning Deposit Refund for 22218 Tumbleweed Dr	893.00	10	GENERAL
24851	2/6/2019	SAFAI CORPORATION	Planning Deposit Refund for 23013 Pheasant Dr	893.00	10	GENERAL
24851	2/6/2019	SAFAI CORPORATION	Planning Deposit Refund for 23084 Canyon Lake Drive S	893.00	10	GENERAL
24851	2/6/2019	SAFAI CORPORATION	Planning Deposit Refund for 23977 Cruise Circle Dr	893.00	10	GENERAL
Total 24851	2/6/2019			3,572.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24852	2/6/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Contol 12/28/18-1/29/19	381.40	20	GAS TAX
24852	2/6/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Control 12/20/18-1/22/19	75.65	20	GAS TAX
Total 24852	2/6/2019			457.05		
24853	2/6/2019	STAPLES	Office Supplies	92.48	10	GENERAL
Total 24853	2/6/2019			92.48		
24854	2/6/2019	Synoptek, LLC	IT Services January 2019	2,436.00	10	GENERAL
Total 24854	2/6/2019			2,436.00		
24855	2/6/2019	Toshiba Financial Services	Copier Lease 1/15/19-2/15/19	725.25	10	GENERAL
Total 24855	2/6/2019			725.25		
24856	2/7/2019	Neil Safai	Planning Deposit Refund for 22218 Tumbleweed Dr	893.00	10	GENERAL
24856	2/7/2019	Neil Safai	Planning Deposit Refund for 23013 Pheasant Dr	893.00	10	GENERAL
24856	2/7/2019	Neil Safai	Planning Deposit Refund for 23084 Canyon Lake Drive S	893.00	10	GENERAL
24856	2/7/2019	Neil Safai	Planning Deposit Refund for 23977 Cruise Circle Dr	893.00	10	GENERAL
Total 24856	2/7/2019			3,572.00		
24857	2/20/2019	ANIMAL FRIENDS OF THE VALLEYS	Animal Control Services December 2018	7,000.00	10	GENERAL
Total 24857	2/20/2019			7,000.00		
24858	2/20/2019	BIO-TOX LABORATORIES	Sheriff's Dept Blood Testing January 2019	46.00	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Numb...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24858	2/20/2019			46.00		
24859	2/20/2019	Randall Bonner	Internet and Phone Reimbursement December 2018	80.00	10	GENERAL
Total 24859	2/20/2019			80.00		
24860	2/20/2019	Charles Abbott Associates, Inc.	Building and Safety Services January 2019	2,050.00	10	GENERAL
Total 24860	2/20/2019			2,050.00		
24861	2/20/2019	CANYON LAKE PEST CONTROL, Steven E. Young	Pest Control, Storage Unit	90.00	10	GENERAL
Total 24861	2/20/2019			90.00		
24862	2/20/2019	Cole Huber LLP	Attorney Services January 2019	9,784.52	10	GENERAL
Total 24862	2/20/2019			9,784.52		
24863	2/20/2019	DATA TICKET	Citation Processing Code Enforcement January 2019	100.00	10	GENERAL
24863	2/20/2019	DATA TICKET	Parking Citation Processing January 2019	100.00	10	GENERAL
Total 24863	2/20/2019			200.00		
24864	2/20/2019	DIRECTV	Satellite Service 2/12/19-3/11/19	87.57	10	GENERAL
Total 24864	2/20/2019			87.57		
24865	2/20/2019	STATE OF CA DEPT. OF JUSTICE	Sheriff's Dept Fingerprinting January 2019	64.00	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24865	2/20/2019			64.00		
24866	2/20/2019	Jordan Ehrenkranz	Internet Reimbursement February 2019	40.00	10	GENERAL
Total 24866	2/20/2019			40.00		
24867	2/20/2019	ELSINORE VALLEY MUNI WATER DIS	Water, Fire Detector 12/24/18-1/24/19	93.88	10	GENERAL
24867	2/20/2019	ELSINORE VALLEY MUNI WATER DIS	Water, Fire Station 12/28/18-1/28/19	217.65	10	GENERAL
24867	2/20/2019	ELSINORE VALLEY MUNI WATER DIS	Water, Irrigation 12/28/18-1/28/19	1,034.61	20	GAS TAX
Total 24867	2/20/2019			1,346.14		
24868	2/20/2019	Frontier Communications	City Hall, Internet 2/10/19-3/9/19	148.98	10	GENERAL
Total 24868	2/20/2019			148.98		
24869	2/20/2019	NANCY GREENHALGH	Retiree Health Insurance March 2019	163.37	10	GENERAL
Total 24869	2/20/2019			163.37		
24870	2/20/2019	Dawn Haggerty	Internet Reimbursement November and December	60.00	10	GENERAL
Total 24870	2/20/2019			60.00		
24871	2/20/2019	Jeremy Smith	Internet, Phone, Mileage/Parking Exp Reimb Jan & Feb 2019	306.87	10	GENERAL
Total 24871	2/20/2019			306.87		
24872	2/20/2019	Joe's Hardware	Supplies, Code Enforcement	9.69	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24872	2/20/2019			9.69		
24873	2/20/2019	K Graphics	Notice to Appear	616.44	10	GENERAL
Total 24873	2/20/2019			616.44		
24874	2/20/2019	Kasey Castillo	Parking Reimbursement February 2019	24.00	10	GENERAL
Total 24874	2/20/2019			24.00		
24875	2/20/2019	Kristine Gonzales	Plot Plan Deposit Refund 22529 Lighthouse 2017-242	893.00	10	GENERAL
Total 24875	2/20/2019			893.00		
24876	2/20/2019	Lake Chevrolet	Vehicle Maintenance 08 GMC Vin#9227	128.70	10	GENERAL
Total 24876	2/20/2019			128.70		
24877	2/20/2019	League of California Cities	Membership Dues 2019	5,990.00	10	GENERAL
Total 24877	2/20/2019			5,990.00		
24878	2/20/2019	Nate Volk	Broadcasting Services, Council Meeting 2/6/19	350.00	10	GENERAL
Total 24878	2/20/2019			350.00		
24879	2/20/2019	Pitney Bowes Global Financial Services, LLC	Postage Machine Lease 12/13/18-3/12/19	175.14	10	GENERAL
Total 24879	2/20/2019			175.14		
24880	2/20/2019	Purchase Power	Postage	400.00	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24880	2/20/2019			400.00		
24881	2/20/2019	Pitney Bowes - Reserve Account	Prepaid Postage	800.00	10	GENERAL
Total 24881	2/20/2019			800.00		
24882	2/20/2019	Rogers, Anderson, Malody & Scott, LLP	Accounting Services January 2019	6,700.00	10	GENERAL
Total 24882	2/20/2019			6,700.00		
24883	2/20/2019	Regional Conservation Authority	MSHCP Fees February 2019	2,104.00	50	AGENCY
Total 24883	2/20/2019			2,104.00		
24884	1/23/2019	JOHN REGUS	Library Lease March 2019	250.00	10	GENERAL
Total 24884	1/23/2019			250.00		
24885	2/20/2019	JOHN REGUS	Library Rent April 2019	1,074.62	10	GENERAL
Total 24885	2/20/2019			1,074.62		
24886	2/20/2019	RIV. CO. SHERIFF'S DEPT., Acctg & Fin	Contract Law Enforcement 12/6/18-1/2/19	123,291.92	10	GENERAL
Total 24886	2/20/2019			123,291.92		
24887	2/20/2019	SOUTHERN CALIFORNIA EDISON	Electricity, City Hall 1/14/19-2/13/19	692.04	10	GENERAL
24887	2/20/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Fire Station 1/14/19-2/13/19	397.68	10	GENERAL
24887	2/20/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Pump Station 1/8/19-2/7/19	34.21	20	GAS TAX
24887	2/20/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Control 1/14/19-2/13/19	189.60	20	GAS TAX

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24887	2/20/2019			1,313.53		
24888	2/20/2019	Special District Risk Management Authority	Dental Insurance March 2019	51.61	10	GENERAL
Total 24888	2/20/2019			51.61		
24889	2/20/2019	Sparkletts	Drinking Water January 2019	29.05	10	GENERAL
Total 24889	2/20/2019			29.05		
24890	2/20/2019	STATE COMP. INS. FUND	Workers Comp March 2019	659.17	10	GENERAL
Total 24890	2/20/2019			659.17		
24891	2/20/2019	Structural Termite/Pest Control	Pest Control, Fire Station	36.75	10	GENERAL
Total 24891	2/20/2019			36.75		
24892	2/20/2019	Synoptek, LLC	IT Services February 2019	2,436.00	10	GENERAL
Total 24892	2/20/2019			2,436.00		
24893	2/20/2019	Time Warner Cable	Cable Service, Fire Station 2/10/19-3/9/19	99.98	10	GENERAL
Total 24893	2/20/2019			99.98		
24894	2/20/2019	U. S. Bank	Membership renewals, office supplies, student of the month	2,870.55	10	GENERAL
Total 24894	2/20/2019			2,870.55		
24895	2/20/2019	Verizon Wireless	Cell Phones, 1/4/19-2/3/19	391.21	10	GENERAL
24895	2/20/2019	Verizon Wireless	iPads, 1/4/19-2/3/19	208.90	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 2/1/2019 Through 2/28/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24895	2/20/2019			600.11		
24896	2/20/2019	WRCOG	TUMF Fees February 2019	8,873.00	50	AGENCY
Total 24896	2/20/2019			8,873.00		
Report Total				363,213.23		

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
ANIMAL FRIENDS	Animal Control Services December 2018	7,000.00
BIO-TOX	Sheriff's Dept Blood Testing January 2019	46.00
Bonner	Internet and Phone Reimbursement December 2018	80.00
Charles Abbott	Building and Safety Services January 2019	2,050.00
CL PEST	Pest Control, Storage Unit	90.00
Cole Huber	Attorney Services January 2019	9,784.52
DATA TICKET	Parking Citation Processing January 2019	100.00
	Citation Processing Code Enforcement January 2019	100.00
DIRECTV	Satellite Service 2/12/19-3/11/19	87.57
DOJ	Sheriff's Dept Fingerprinting January 2019	64.00
Ehrenkranz	Internet Reimbursement February 2019	40.00
EVMWD	Water, Fire Station 12/28/18-1/28/19	217.65
	Water, Irrigation 12/28/18-1/28/19	1,034.61
	Water, Fire Detector 12/24/18-1/24/19	93.88
Frontier	City Hall, Internet 2/10/19-3/9/19	148.98
GREENHALGH	Retiree Health Insurance March 2019	163.37
Haggerty	Internet Reimbursement November and December	60.00
Jeremy Smith	Internet, Phone, Mileage/Parking Exp Reimb Jan & Feb 2019	306.87
Joe's	Supplies, Code Enforcement	9.69
K Graphics	Notice to Appear	616.44
Kasey Castillo	Parking Reimbursement February 2019	24.00
Kristine Gonzales	Plot Plan Deposit Refund 22529 Lighthouse 2017-242	893.00
Lake Chevrolet	Vehicle Maintenance 08 GMC Vin#9227	128.70
LOCC	Membership Dues 2019	5,990.00
Nate Volk	Broadcasting Services, Council Meeting 2/6/19	350.00
Pitney Bowes	Postage Machine Lease 12/13/18-3/12/19	175.14
Pitney Bowes - Purchase Power	Postage	400.00
Pitney Bowes - Reserve Account	Prepaid Postage	800.00
RAMS	Accounting Services January 2019	6,700.00
RCA	MSHCP Fees February 2019	2,104.00
REGUS	Library Lease March 2019	250.00
	Library Rent April 2019	1,074.62
Riv Co Sheriff Acctg	Contract Law Enforcement 12/6/18-1/2/19	123,291.92
SCE	Electricity, Pump Station 1/8/19-2/7/19	34.21
	Electricity, Fire Station 1/14/19-2/13/19	397.68
	Electricity, Traffic Control 1/14/19-2/13/19	189.60
	Electricity, City Hall 1/14/19-2/13/19	692.04
SDRMA	Dental Insurance March 2019	51.61
Sparkletts	Drinking Water January 2019	29.05
STATE FUND	Workers Comp March 2019	659.17
Structural	Pest Control, Fire Station	36.75

Date: 2/20/19

03:17:28 PM 2/20/2019 City Council Agenda

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

<u>Vendor ID</u>	<u>Invoice Description</u>	<u>Cash Required</u>
Synoptek	IT Services February 2019	2,436.00
Time Warner	Cable Service, Fire Station 2/10/19-3/9/19	99.98
US Bank	Membership renewals, office supplies, student of the month	2,870.55
VerizonW	Cell Phones, 1/4/19-2/3/19	391.21
	iPads, 1/4/19-2/3/19	208.90
WRCOG	TUMF Fees February 2019	8,873.00
Report Total		<u>181,244.71</u>

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

<u>Vendor ID</u>	<u>Invoice Description</u>	<u>Cash Required</u>
Neil Safai	Planning Deposit Refund for 22218 Tumbleweed Dr	893.00
	Planning Deposit Refund for 23013 Pheasant Dr	893.00
	Planning Deposit Refund for 23084 Canyon Lake Drive S	893.00
	Planning Deposit Refund for 23977 Cruise Circle Dr	893.00
Report Total		<u>3,572.00</u>

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
Aflac	Supplemental Insurance January 2019	378.22
AMERICAN FORENSIC	Sheriff's Blood Draws December 2018	55.00
Control Pump	Install PLC/HMI Upgrade	21,681.00
	Install Interior Lighting	1,985.90
	Replace Faulty Limit Switch on Amiad Filter	464.00
Corelogic	Code Enforcement Data Base January 2019	5.00
	Code Enforcement Data Base January 2019	125.00
CTAI	Emergency Boulder Removal	250.00
	Cleanup Trees and Debris	1,100.00
	Median and Parkways Landscape Maintenance Service Jan 2019	5,000.00
	Fire Station Landscape Maintenance Service January 2019	250.00
GAS CO	Gas, 12/31/18-1/30/19	178.21
ICG	Building and Safety Services December 2018	15,565.30
Joe's	Supplies, Fire Station	13.98
NP Solutions	2019 Abila Support Plan	595.00
riv Co Exec	Miscellaneous Admin Expenses 2nd Qtr FY 18/19	1,002.57
Riv Co Recorder	Fee for Exemption for Adoption of City Wide Fee Resolution	50.00
Riv Co Sheriff Acctg	Contract Law Enforcement 11/8/18-12/5/18	122,414.56
SAFAI CORPORATION	Planning Deposit Refund for 23084 Canyon Lake Drive S	893.00
	Planning Deposit Refund for 22218 Tumbleweed Dr	893.00
	Planning Deposit Refund for 23977 Cruise Circle Dr	893.00
	Planning Deposit Refund for 23013 Pheasant Dr	893.00
SCE	Electricity, Traffic Control 12/20/18-1/22/19	75.65
	Electricity, Traffic Contol 12/28/18-1/29/19	381.40
STAPLES	Office Supplies	92.48
Synoptek	IT Services January 2019	2,436.00
Toshiba	Copier Lease 1/15/19-2/15/19	725.25
Report Total		178,396.52

City of Canyon Lake
Company (10756)

Check Date: 01/31/2019
Process: 2019013101
Period: 01/16/2019 to 01/31/2019

Labor Distribution

Department: (1) Staff

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
Reg	Regular	7.00	420.00												420.00	420.00	420.00			
Total Earnings													7.00	420.00	0.00	Total Employer Taxes	0.00			

Department: (1) Staff Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
Reg	Regular	7.00	420.00												420.00	420.00	420.00			
Total Earnings													7.00	420.00	0.00	Total Employer Taxes	0.00			

Department: (20) City Employees

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
125CO	125 Cash		492.43	PTAXI Pre-Tax P	CA	264.97	California SI	2593.12	CA	61.06	CAETT CA Edu & Ti	1302.73	1302.73	0.00						
102	Hol Holiday	9.50	0.00		CASDI CA SDI - Err			2858.09	CASUI California SI	28.58		1302.73	1302.73	80.77	Gross	2858.09	2858.09			
378525	Reg Regular		2365.66		FITW Federal Inco			2593.12	MED-R Medicare - E	236.01		2858.09	2858.09	41.44	Gross	2980.30	2980.30			
Total Earnings													9.50	2858.09	0.00	Total Employer Taxes	0.00			

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
125CO	125 Cash		499.58	PTXPE Pre-Tax P	CA	148.38	California SI	2725.25	CA	66.88	CAETT CA Edu & Ti	2873.63	2873.63	0.00						
98	Hol Holiday	9.50	237.40		CASDI CA SDI - Err			2873.63	CASUI California SI	28.74		2873.63	2873.63	178.16	Gross	2873.63	2873.63			
249900	Reg Regular		2136.65		FITW Federal Inco			2725.25	MED-R Medicare - E	251.86		2873.63	2873.63	41.67	Gross	3093.46	3093.46			
Total Earnings													9.50	2873.63	0.00	Total Employer Taxes	0.00			

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
125CO	125 Cash		452.83	PTXPE Pre-Tax P	CA	338.54	California SI	5530.96	CA	249.49	CAETT CA Edu & Ti	1130.50	1130.50	0.00						
99	Hol Holiday	9.50	0.00		CASDI CA SDI - Err			5869.50	CASUI California SI	58.69		1130.50	1130.50	70.09	Gross	5869.50	5869.50			
541667	Reg Regular		5416.67		FITW Federal Inco			5530.96	MED-R Medicare - E	571.02		5869.50	5869.50	85.11	Gross	6024.70	6024.70			
Total Earnings													9.50	5869.50	0.00	Total Employer Taxes	0.00			

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Tax	Code	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt			
125CO	125 Cash		527.04	457B EE	CA	66.00	California SI	2610.60	CA	37.54	CAETT CA Edu & Ti	2838.39	2838.39	0.00						
108	Hol Holiday	9.50	231.14	PTAXI Pre-Tax P	CASDI CA SDI - Err			2838.39	CASUI California SI	28.39		2838.39	2838.39	175.98	Gross	2838.39	2838.39			
243300	Reg Regular		1922.07		FITW Federal Inco			2610.60	MED-R Medicare - E	175.11		2838.39	2838.39	41.16	Gross	3055.53	3055.53			
	Sick Sick	6.50	158.14		MED Medicare			2838.39		41.15					Gross	2328.41	2328.41			
Total Earnings													9.50	2838.39	0.00	Total Employer Taxes	0.00			

02/06/2019 City Council agenda

Department: (20) City Employees Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Taxable	Amount	Code	Amount	Tax	Taxable	Amount
4	125CO 125 Cash		1971.88	457B EE	CA	66.00	CA	13459.93	414.97	CAETT	8145.25	CA Edu & Ti	8145.25	0.00
2	Hol Holiday	38.00	468.54	PTAXI Pre-Tax P	CASDI	426.76	CASDI	14439.61	144.40	CASUI	8145.25	California SI	8145.25	505.00
2	Reg Regular	164.50	11841.05	PTXPE Pre-Tax P	FITW	486.92	FITW	13459.93	1234.00	MED-R	14439.61	Medicare - E	14439.61	209.38
	Sick Sick	6.50	158.14		MED		Medicare	14439.61	209.36					Net Amt
	Total Earnings	209.00	14439.61	Total Deductions		979.68	Total Employee Taxes		2002.73	Total Employer Taxes		714.38		

Department: (30) Special Enforcement Team

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Taxable	Amount	Code	Amount	Tax	Taxable	Amount
Reg	Regular	58.50	1441.44	457B EE	CA	112.46	CA	1328.98	11.96	CAETT	1441.44	CA Edu & Ti	1441.44	0.00
				AflacP, Aflac Post	CASDI	33.43	CASDI	1441.44	14.41	CASUI	1441.44	California SI	1441.44	89.37
					FITW		Federal Incoi	1328.98	66.23	MED-R	1441.44	Medicare - E	1441.44	20.90
					MED		Medicare	1441.44	20.90					Net Amt
	Total Earnings	58.50	1441.44	Total Deductions		145.89	Total Employee Taxes		113.50	Total Employer Taxes		110.27		

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Taxable	Amount	Code	Amount	Tax	Taxable	Amount
Reg	Regular	33.00	915.09		CA		CA	915.09	12.18	CAETT	915.09	CA Edu & Ti	915.09	0.00
					CASDI		CASDI	915.09	9.15	CASUI	915.09	California SI	915.09	56.74
					FITW		Federal Incoi	915.09	82.73	MED-R	915.09	Medicare - E	915.09	13.27
					MED		Medicare	915.09	13.27					Net Amt
	Total Earnings	33.00	915.09	Total Deductions		0.00	Total Employee Taxes		117.33	Total Employer Taxes		70.01		

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Taxable	Amount	Code	Amount	Tax	Taxable	Amount
125CO	125 Cash		228.02	PTAXI Pre-Tax P	CA	155.35	CA	2291.93	93.09	CAETT	2447.28	CA Edu & Ti	2447.28	0.00
Reg	Regular	74.00	2219.26		CASDI		CASDI	2447.28	24.48	CASUI	2447.28	California SI	2447.28	151.73
					FITW		Federal Incoi	2291.93	199.86	MED-R	2447.28	Medicare - E	2447.28	35.49
					MED		Medicare	2447.28	35.48					Net Amt
	Total Earnings	74.00	2447.28	Total Deductions		155.35	Total Employee Taxes		352.91	Total Employer Taxes		187.22		

Department: (30) Special Enforcement Team Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Taxable	Amount	Code	Amount	Tax	Taxable	Amount
2	125CO 125 Cash		228.02	457B EE	CA	112.46	CA	4536.00	117.23	CAETT	4803.81	CA Edu & Ti	4803.81	0.00
1	Reg Regular	165.50	4575.79	AflacP, Aflac Post	CASDI	33.43	CASDI	4803.81	48.04	CASUI	4803.81	California SI	4803.81	297.84
				PTAXI Pre-Tax P	FITW	155.35	FITW	4536.00	348.82	MED-R	4803.81	Medicare - E	4803.81	69.66
					MED		Medicare	4803.81	69.65					Net Amt
	Total Earnings	165.50	4803.81	Total Deductions		301.24	Total Employee Taxes		583.74	Total Employer Taxes		367.50		

Mike Borja, Acting City Manager
Date: 1/31/19

Department: (50) Council Members

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	300.00	300.00	0.00	0.00
Emp Id		78			FITW	Federal Inco	0.00	CASUI	California SI	18.60	300.00	300.00	18.60	300.00
Salary		300.00			MED	Medicare	4.35	MED-R	Medicare - E	4.34	300.00	300.00	4.34	300.00
Total Earnings		0.00	300.00	Total Deductions			4.35	Total Employer Taxes		22.94				22.94

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	300.00	300.00	0.00	0.00
Emp Id		110			FITW	Federal Inco	0.00	CASUI	California SI	18.60	300.00	300.00	18.60	300.00
Salary		300.00			MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00
Total Earnings		0.00	300.00	Total Deductions			4.35	Total Employer Taxes		22.95				22.95

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	300.00	300.00	0.00	0.00
Emp Id		62			FITW	Federal Inco	0.00	CASUI	California SI	18.60	300.00	300.00	18.60	300.00
Salary		300.00			MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00
Total Earnings		0.00	300.00	Total Deductions			4.35	Total Employer Taxes		22.95				22.95

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	300.00	300.00	0.00	0.00
Emp Id		103			FITW	Federal Inco	0.00	CASUI	California SI	18.60	300.00	300.00	18.60	300.00
Salary		300.00			MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00
Total Earnings		0.00	300.00	Total Deductions			4.35	Total Employer Taxes		22.95				22.95

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	300.00	300.00	0.00	0.00
Emp Id		109			FITW	Federal Inco	0.00	CASUI	California SI	18.60	300.00	300.00	18.60	300.00
Salary		300.00			MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00
Total Earnings		0.00	300.00	Total Deductions			4.35	Total Employer Taxes		22.95				22.95

Department: (50) Council Members Total

Code	Earning	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
5	Reg		1500.00		CA	California SI	0.00	CAETT	CA Edu & Ti	0.00	1500.00	1500.00	0.00	0.00
1	Female				FITW	Federal Inco	0.00	CASUI	California SI	93.00	1500.00	1500.00	93.00	1500.00
4	Male				MED	Medicare	21.75	MED-R	Medicare - E	21.74	1500.00	1500.00	21.74	1500.00
Total Earnings		0.00	1500.00	Total Deductions			21.75	Total Employer Taxes		114.74				114.74

City of Canyon Lake
Company (10756)

Check Date: 01/31/2019
Process: 2019013101
Period: 01/16/2019 to 01/31/2019

Report Total

Emp Code	Earning	Hours	Amount	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount
13	125CO 125 Cash		2199.90	457B EE	178.46	CA	California SI	19495.93	CAETT	CA Edu & T	532.20	19495.93	14449.06	14449.06	0.00
6	Hol Holiday	38.00	468.54	Aflac Post	33.43	CASDI	CA SDI - Err	19243.42	CASUI	California SI	192.44	19243.42	14449.06	14449.06	895.84
7	Reg Regular	337.00	18336.84	PTAXI Pre-Tax P	582.11	FITW	Federal Incoi	19495.93	MED-R	Medicare - E	1582.82	19495.93	20743.42	20743.42	300.78
	Sick Sick	6.50	158.14	PTXPE Pre-Tax P	486.92	MED	Medicare	20743.42			300.76	20743.42			Net Amt
	Total Earnings	381.50	21163.42	Total Deductions	1280.92	Total Employee Taxes		2608.22	Total Employer Taxes		1196.62				17274.28

Run Date: 01/30/19
Run Time: 05:16 PM
Department: (50)Council Members
Employee

Department: (20)City Employees

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
125CO	125 Cash		492.43		FTAXI	Pre-Tax P.	474.60	CA	California ST	6797.83	CA	Edu & Ti	CAEIT	167.54	0.00	0.00	CA	Edu & Ti	0.00	0.00
ADML	Admin Le	18.16	876.77		CASDI	CA SDI - Err			CASUI	7272.43	CA	California ST	CASUI	72.73	0.00	0.00	CA	California ST	0.00	0.00
Reg	Regular		3974.52		FITW	Federal Incon			MED	6797.83	MED-R	Medicare - E	MED-R	468.23	105.45	7272.43	Medicare - E	105.45	7272.43	105.45
Retro	Retro		254.84							7272.43				105.45						
Sick	Sick	38.00	0.00																	
Vac	Vacation	34.67	1673.87																	
Total Earnings		90.83	7272.43		Total Deductions		474.60		Total Employee Taxes					813.95			Total Employer Taxes			105.45

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
125CO	125 Cash		499.58		PTXPE	Pre-Tax P.	101.52	CA	California ST	2297.30	CA	Edu & Ti	CAEIT	48.05	0.00	0.00	CA	Edu & Ti	0.00	0.00
Comp	Comp Tin	11.00	274.89		CASDI	CA SDI - Err			CASUI	2398.82	CA	California ST	CASUI	23.99	0.00	0.00	CA	California ST	0.00	0.00
Reg	Regular	65.00	1624.35		FITW	Federal Incon			MED	2297.30	MED-R	Medicare - E	MED-R	200.51	34.78	2398.82	Medicare - E	34.78	2398.82	34.78
										2398.82				34.79						
Total Earnings		76.00	2398.82		Total Deductions		101.52		Total Employee Taxes					307.34			Total Employer Taxes			127.17

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
125CO	125 Cash		452.83		PTXPE	Pre-Tax P.	338.54	CA	California ST	5530.96	CA	Edu & Ti	CAEIT	0.00	0.00	0.00	CA	Edu & Ti	0.00	0.00
Reg	Regular		5416.67		CASDI	CA SDI - Err			CASUI	5869.50	CA	California ST	CASUI	58.70	0.00	0.00	CA	California ST	0.00	0.00
					FITW	Federal Incon			MED	5530.96	MED-R	Medicare - E	MED-R	0.00	85.11	5869.50	Medicare - E	85.11	5869.50	85.11
										5869.50				85.10						
Total Earnings		0.00	5869.50		Total Deductions		338.54		Total Employee Taxes					143.80			Total Employer Taxes			85.11

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
125CO	125 Cash		527.04		457B	EE	66.00	CA	California ST	2180.68	CA	Edu & Ti	CAEIT	18.62	0.00	0.00	CA	Edu & Ti	0.00	0.00
Reg	Regular	76.00	1849.08		PTAXI	Pre-Tax P.	129.44	CASDI	CA SDI - Err	2376.12	CASUI	California ST	CASUI	23.76	96.37	2376.12	California ST	96.37	2376.12	96.37
					FITW	Federal Incon			MED	2180.68	MED-R	Medicare - E	MED-R	123.51	34.45	2376.12	Medicare - E	34.45	2506.94	34.45
										2376.12				34.46						
Total Earnings		76.00	2376.12		Total Deductions		195.44		Total Employee Taxes					200.35			Total Employer Taxes			130.82

Department: (20)City Employees Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Amount
125CO	125 Cash		1971.88		457B	EE	66.00	CA	California ST	16806.77	CA	Edu & Ti	CAEIT	234.21	0.00	0.00	CA	Edu & Ti	0.00	0.00
ADML	Admin Le	18.16	876.77		PTAXI	Pre-Tax P.	604.04	CASDI	CA SDI - Err	17916.87	CASUI	California ST	CASUI	179.18	188.76	3044.51	California ST	188.76	17916.87	188.76
Comp	Comp Tin	11.00	274.89		PTXPE	Pre-Tax P.	440.06	FITW	Federal Incon	16806.77	MED-R	Medicare - E	MED-R	792.25	259.79	17916.87	Medicare - E	259.79	18365.42	259.79
Reg	Regular	141.00	12864.62							17916.87				259.80						
Retro	Retro		254.84																	
Sick	Sick	38.00	0.00																	
Vac	Vacation	34.67	1673.87																	
Total Earnings		242.83	17916.87		Total Deductions		1110.10		Total Employee Taxes					1465.44			Total Employer Taxes			448.55

CREDIT CARD REVIEW

U S BANK Statement dated 1/7/19

ITEM #	CREDITOR	DESCRIPTION	AMOUNT	ACCOUNT
1	The League of California	New Mayors & Council Mem Academy registration-J Smith	\$ 575.00	10-100-6510
2	The League of California	New Mayors & Council Mem Academy registration-K Castillo	\$ 575.00	10-100-6510
3	Target	City council meeting	\$ 15.99	10-100-6510
4	Target	Office Supplies	\$ 19.01	10-310-6210
5	Vons	City council meeting	\$ 56.97	10-100-6510
6	Costco	Office Supplies	\$ 17.23	10-310-6210
7	Costco	City Council pictures	\$ 14.38	10-100-6510
8	Staples	Office Supplies	\$ 111.95	10-310-6210
9	AKI Homes	Office Supplies	\$ 41.98	10-310-6210
10	Int'l Code Council Inc	Building deparatment code books and membership	\$ 1,444.97	10-360-6220
11	Fastsigns	City council name plates for wall	\$ 86.63	10-100-6510
12	Staples	Office Supplies	\$ 39.82	10-310-6210
13	Microsoft	Microsoft 365 Monthly Fee	\$ 432.50	10-310-6210
14	Canyon Lake Country Club	Monthly roundtable with POA and Water	\$ 23.20	10-310-6510
15	Canyon Lake Country Club	Economic Development Roundtable	\$ 10.08	10-310-6510
16	ICMA	Annual membership	\$ 1,040.00	10-310-6510
17			\$ 4,504.71	
Account Breakdown				
	Council Meeting	10-100-6510	\$ 1,323.97	
	Council Special Dept. Expense	10-100-6520		
	Promotion and Advertising	10-100-6830		
	Office Expense	10-310-6210	\$ 662.49	
	Conference/Meeting/Travel Expense	10-310-6510	\$ 1,073.28	
	Professional/Specialized Services	10-310-6610		
	City Clerk Dues	10-320-6520		
	Professional/Specialized Services	10-320-6610		
	Building Dept Expense	10-360-6220	\$ 1,444.97	
	Fire Station Expenses	10-420-8018		
	Emergency Preparedness Supplies	10-425-6215		
	Code Enforcement Supplies	10-520-6210		
	Special Enforcement Misc Expense	10-520-6220		
	Code Enforcement Vehicle Equipment	10-520-6410		
	Vehicle Maintenance	10-520-6415		
	Code Enforcement Membership Dues	10-520-6520		
	Code Endoecement Training	10-520-6710		
			\$ 4,504.71	
			Check Figure \$	

Copies for City Council
as directed by
the Finance Committee

OK to pay
1/17-19
RBJ
FEB 07 2019

U S BANK Statement dated 2/6/19

ITEM #	CREDITOR	DESCRIPTION	AMOUNT	ACCOUNT
1	Target		\$ 34.77	10-310-6210
2	Sam Renewal	Membership Renewal	\$ 299.00	10-310-6210
3	Western City Magazine	Advertisement	\$ 450.00	10-100-6830
4	Government Jobs	Advertisement	\$ 175.00	10-100-6830
5	National Notary Association	Notary	\$ 489.90	10-320-6520
6	CCAC	Membership Renewal	\$ 130.00	10-320-6710
7	Michaels	Wall frames	\$ 83.01	10-310-6210
8	Sanitaire Commercial Vacuum	Vacuum filters	\$ 52.62	10-310-6210
9	Jack in the Box	Student of the Month gift cards	\$ 35.00	10-100-6830
10	Amazon	Cardstock	\$ 24.95	10-100-6830
11	Eventbrite	2019 IE Vision Conference - Jereny Smith	\$ 35.00	10-100-6510
12	DIY Appliance Parts	Parts for Fire Station	\$ 36.99	10-420-6210
13	Eagles Mark	Veteran's Day Event	\$ 75.69	10-100-6830
14	Tru-Blue Cleaners	Skirts	\$ 69.00	10-310-6210
15	Microsoft	Microsoft 365 Monthly Fee	\$ 412.50	10-310-6210
16	LOCC		\$ (575.00)	10-100-6510
17		Late Fee	\$ 4.62	10-310-6210
Transactions not picked up from prior period statement:				
18	Microsoft	Microsoft 365 Monthly Fee	\$ 387.50	10-310-6210
19	LOCC		\$ 650.00	10-100-6510
			\$ 2,870.55	
Account Breakdown				
	Council Meeting	10-100-6510	\$ 110.00	
	Council Special Dept. Expense	10-100-6520		
	Promotion and Advertising	10-100-6830	\$ 760.64	
	Office Expense	10-310-6210	\$ 1,343.02	
	Conference/Meeting/Travel Expense	10-310-6510		
	Professional/Specialized Services	10-310-6610		
	City Clerk Dues	10-320-6520	\$ 489.90	
	Professional/Specialized Services	10-320-6610		
	City Clerk Training and Education	10-320-6710	\$ 130.00	
	Building Dept Expense	10-360-6220		
	Fire Station Expenses	10-420-6210	\$ 36.99	
	Emergency Preparedness Supplies	10-425-6215		
	Code Enforcement Supplies	10-520-6210		
	Special Enforcement Misc Expense	10-520-6220		
	Code Enforcement Vehicle Equipment	10-520-6410		
	Vehicle Maintenance	10-520-6415		
	Code Enforcement Membership Dues	10-520-6520		
	Code Endocement Training	10-520-6710		
			\$ 2,870.55	
			Check Figure \$	

[Handwritten Signature]
2/20/19

*Copies for City Council
as directed by
the Finance Committee*

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Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$136.69

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001252850	02/01/2019	100000015554030	Health PA Billing - PERS	EFT - Debit	Citizens Business Bank -5402	\$136.69

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Build: v7.8 Baseline: 190116_150942_v7.8_Int.9303 **UID: 318**

*OK to pay
2.3.19
FB*

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Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$2,464.36

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001248558	01/25/2019	100000015519279	Employer Contribution, PEPPRA, 26189, CalPERS, 01/01/2019 - 01/15/2019	EFT - Debit	Citizens Business Bank -5402	\$957.80
1001248559	01/25/2019	100000015519234	Employer Contribution, Classic, 1684, CalPERS, 01/01/2019 - 01/15/2019	EFT - Debit	Citizens Business Bank -5402	\$1,506.56

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Build: v7.8 Baseline: 190116_150942_v7.8_Int.9303 UID: 318

NB
1/30/19

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Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake CalPERS ID: 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- To generate the employer payment report, please click the print button.
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$2,115.92

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001252824	02/01/2019	100000015519303	Employer Contribution, PEPRA, 26189, CalPERS, 01/16/2019 - 01/31/2019	EFT - Debit	Citizens Business Bank -5402	\$1,019.96
1001252825	02/01/2019	100000015519262	Employer Contribution, Classic, 1684, CalPERS, 01/16/2019 - 01/31/2019	EFT - Debit	Citizens Business Bank -5402	\$1,095.96

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Build: v7.8 Baseline: 190116_150942_v7.8_int.9303 UID: 318

*OK to pay
2-5-19
RB*



CITY OF CANYON LAKE
PENSION SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.

You can print this acknowledgment for your records.

Plan Name: CITY OF CANYON LAKE 457

Plan Number: 0035273001

Payroll Center: CITY OF CANYON LAKE

Payroll Center Number: 001

Payroll Received for Salary Reduction

Submission date: 02/11/2019

Submission time: 01:33 PM

Pay period end date: 01/31/2019

Payment method: Debit ACH

Bank routing number: 122234149

Bank account number: 245125402

Contributions payment amount: \$132.00

Contributions count: 1

Draft date: 02/12/2019

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters, Financial Corporation, and the National Association of Police Organizations.

Nationwide may receive payments from mutual funds or their affiliates in connection with certain investment options. Learn more about these payments. Retirement Specialists provide information for educational purposes only. This information is not meant to be used as investment advice. Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

SPB



CITY OF CANYON LAKE
PLAN SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.

You can print this acknowledgment for your records.

Plan Name: **CITY OF CANYON LAKE 457 OBRA-PST**

Plan Number: **0035273002**

Payroll Center: **CITY OF CANYON LAKE OBRA**

Payroll Center Number: **001**

Payroll Received for Salary Reduction

Submission date: **02/11/2019**

Submission time: **01:32 PM**

Pay period end date: **01/31/2019**

Payment method: **Debit ACH**

Bank routing number: **122234149**

Bank account number: **245125402**

Contributions payment amount: **\$220.84**

Contributions count: **1**

Draft date: **02/12/2019**

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters-Financial Corporation, and the National Association of Police Organizations.

Nationwide may receive payments from mutual funds or their affiliates in connection with certain investment options. Learn more about these payments. Retirement Specialists provide information for educational purposes only. This information is not meant to be used as investment advice. Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

SLB

INVESTMENT REPORT

CITIZENSTRUST™

PO Box 2549
Rancho Cucamonga, CA 91729-2549
Return Service Requested

RECEIVED

FEB 19 2019

BY: Alum

00000071 MCB1000020719396625 01 000000 43 004

CITY OF CANYON LAKE
31516 RAILROAD CANYON RD
CANYON LAKE CA 92587

STATEMENT FOR THE PERIOD FROM 01/01/2019 TO 01/31/2019
ACCOUNT 1035003119

THIS IS YOUR REPORT OF INVESTMENTS AND TRANSACTIONS FOR THE PERIOD. INCLUDED
IN THE REPORT ARE

- * PORTFOLIO: SUMMARY GRAPHICAL DISPLAY WITH MARKET VALUE & PERCENT
- * ACTIVITY SUMMARY: MARKET VALUE WITH TRANSACTION SUMMARY
- * PORTFOLIO STATEMENT: A LISTING OF COST AND MARKET VALUE OF ASSETS
HELD IN THE PORTFOLIO

COST BASIS APPLICABLE FOR CALCULATING CAPITAL GAINS AND LOSSES.
MARKET VALUE IS THE CURRENT VALUE OF EACH ASSET FOR MOST STOCKS AND BONDS.
MARKETS ARE THE CLOSING PRICES ON THE LAST TRADING DAY OF THE PERIOD.

- * TRANSACTION STATEMENT: A COMPLETE LISTING FOR THE PERIOD GROUPED BY
TRANSACTION TYPE.
- * DISCLOSURES: CITIZENS BUSINESS BANK MAY RECEIVE RESEARCH AND OTHER BENEFITS
FROM BROKER DEALERS WHICH MAY BE CONSIDERED COMPENSATION TO US. UPON REQUEST
WE WILL DISCLOSE DETAILS OF ANY COMPENSATION RECEIVED.
- * TO TRUST BENEFICIARIES: UNDER SECTION 17200 OF CALIFORNIA PROBATE CODE,
YOU MAY PETITION THE COURT TO OBTAIN A COURT REVIEW OF THE ACCOUNT AND
THE ACTS OF THE TRUSTEE. CLAIMS AGAINST THE TRUSTEE FOR BREACH OF TRUST
MUST BE MADE WITHIN THREE YEARS FROM THE DATE OF RECEIPT OF AN ACCOUNTING
OR OTHER REPORT DISCLOSING FACTS GIVING RISE TO THE CLAIM.

CITIZENSTRUST™

PO Box 2549
 Rancho Cucamonga, CA 91729-2549
 Return Service Requested

Account Statement

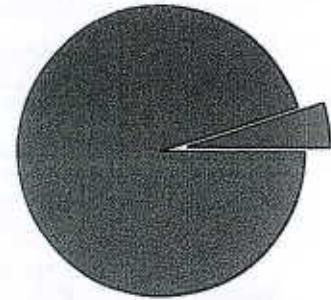
Account Number: **1035003119**
 January 01, 2019 To January 31, 2019

CITY OF CANYON LAKE
 31516 RAILROAD CANYON RD
 CANYON LAKE, CA 92587

Account Name:	CITY OF CANYON LAKE CITIZENS BUSINESS BANK
Account Number:	1035003119
Your Relationship Manager Is:	MIKE GARDNER
Phone:	909-483-4390

Investment Portfolio Summary

Market Value As Of	01/01/2019	01/31/2019	% Of Account
CASH & CASH EQUIVALENTS	126,040.06	132,044.30	5.0%
FIXED INCOME	2,525,895.12	2,528,995.62	95.0%
Total	2,651,935.18	2,661,039.92	100.0%



Activity Summary

	This Period	Year To Date	Realized Capital Gains / Losses	
			This Period	Year To Date
Beginning Market Value	2,651,935.18	2,651,935.18		
Income	5,305.75	5,305.75	Long Term	108.35-
Asset Activity	1,547.81	1,547.81	Total Gains / Losses	108.35-
Fees	849.32-	849.32-		
Cash Management	6,004.24-	6,004.24-		
Change In Market Value	9,104.74	9,104.74		
Ending Market Value	2,661,039.92	2,661,039.92		

Account Statement

Account Number: **1035003119**
 January 01, 2019 To January 31, 2019

Portfolio Statement

Quantity	Description	Market Value	Cost Basis
Cash & Cash Equivalents			
Cash Equivalents			
Unclassified			
132,044.300	31607A703 FIDELITY GOVERNMENT PORTFOLIO	132,044.30	132,044.30
	Total Unclassified	132,044.30	132,044.30
Total	Cash Equivalents	132,044.30	132,044.30
Total	Cash & Cash Equivalents	132,044.30	132,044.30
Fixed Income			
Taxable			
75,000.000	05531FAU7 BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020	74,739.00	75,166.09
100,000.000	05580ACZ5 BMW BANK BANK NORTH AMERICA DTD 09/30/15 MEDIUM-TERM CD 2.2% 09/30/2020	99,068.62	99,980.00
100,000.000	14042RAR2 CAPITAL ONE NA MEDIUM-TERM CD DTD 10/07/2015 2.2% 10/07/2020	99,109.13	99,615.00
100,000.000	24422ERE1 JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	102,535.00	105,175.84
100,000.000	29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	98,334.27	100,000.00
70,000.000	3130A1CE6 FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019	69,634.60	70,231.64
100,000.000	3130A6NA1 FEDERAL HOME LOAN DTD 10/29/15 CALL 1.4% 10/29/2019-2016	99,178.00	100,000.00
50,000.000	3130A8EN9 FEDERAL HOME LOAN BANK DTD 06/14/16 CALL 1.64% 06/14/2021-2016	48,999.00	50,000.00
100,000.000	3130A8NT6 FEDERAL HOME LOAN DTD 07/13/16 CALL 1.48% 07/13/2021-2017	97,613.00	100,000.00
150,000.000	3130ADZ88 FEDERAL HOME LOAN DTD 4/17/18 3% 4/17/23 CALL 3% 04/17/2023-2019	150,058.50	150,000.00
100,000.000	313380FB8 FEDERAL HOME LOAN BANK DTD 08/09/12 1.375% 09/13/2019	99,290.00	99,667.18

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Taxable			
100,000.000	3133EFZ91 FEDERAL FARM CREDIT BANK DTD 04/12/16 CALL 1.62% 04/12/2021-2017	98,027.00	99,909.00
200,000.000	3134G9J40 FREDDIE MAC DTD 07/26/16 CALL 1% 04/26/2019-2017	199,320.00	200,000.00
50,000.000	3134GAHK3 FREDDIE MAC DTD 09/30/16 CALL 1.6% 09/30/2021-2016	48,701.50	49,967.50
100,000.000	3134GAZR8 FREDDIE MAC DTD 12/30/2016 CALL 2.05% 12/30/2021-2017	98,421.00	100,000.00
100,000.000	3134GB7F3 FREDDIE MAC DTD 12/29/17 CALL 2.5% 12/29/2022-2018	99,305.00	100,000.00
100,000.000	3134GBZS4 FREDDIE MAC DTD 7/27/2017 CALL 2.15 4/27/2022 2.15% 04/27/2022-2017	98,258.00	100,000.00
150,000.000	3134GSYQ2 FREDDIE MAC DTD 9/27/2018 CALL 3% 09/27/2021-2019	150,418.50	149,902.50
50,000.000	3136G1C98 FANNIE MAE DTD 02/05/13 1.42% 02/05/2020	49,446.50	50,229.49
100,000.000	3136G3J30 FANNIE MAE DTD 07/28/16 CALL 1.6% 07/28/2021-2016	97,594.00	100,000.00
100,000.000	3136G3VG7 FANNIE MAE DTD 06/29/16 CALL 1.5% 09/29/2020-2016	98,391.00	100,000.00
100,000.000	3136G3XZ3 FANNIE MAE DTD 07/28/16 CALL 1.5% 07/28/2021-2016	97,102.00	100,000.00
100,000.000	3136G4EV1 FANNIE MAE DTD 10/28/16 CALL 1.625% 10/28/2021-2017	96,757.00	99,959.00
36,707.130	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	37,013.25	39,276.63
200,000.000	69353REW4 PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021	196,272.00	202,044.74
25,000.000	713448BN7 PEPSICO INC DTD 01/14/10 4.5% 01/15/2020	25,409.75	25,682.38
Total	Taxable	2,528,995.62	2,566,806.99

Account Statement

Account Number: **1035003119**
 January 01, 2019 To January 31, 2019

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Fixed Income			
Total	Fixed Income	2,528,995.62	2,566,806.99
Miscellaneous			
Miscellaneous Sundry Assets			
Documents			
1.000	DOC199647 INVESTMENT MANAGEMENT AGREEMENT CITY OF CANYON LAKE A/C# 1035003119	0.00	0.00
Total Documents		0.00	0.00
Total	Miscellaneous Sundry Assets	0.00	0.00
Total	Miscellaneous	0.00	0.00
Grand Total Assets		2,661,039.92	2,698,851.29

Account Activity Summary

	Total Cash	Cost Basis Excluding Cash	Market Value Including Cash
Balances Beginning Of Period	0.00	2,695,859.23	2,663,657.44
Prior Accruals			11,722.26-
Unrealized Appreciation This Period			9,213.09
Current Accruals			11,043.90
Asset Activity	1,547.81	1,656.16-	1,547.81
Cash Management	6,004.24-	6,004.24	6,004.24-
Fees	849.32-	0.00	849.32-
Income	5,305.75	1,356.02-	5,305.75
Realized Gain/loss			108.35-
Non Cash Asset Changes			
Balances End Of Period	0.00	2,698,851.29	2,672,083.82

Transaction Statement

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
01/01/19		Beginning Balance		0.00	2,695,859.23
Income					
Interest					
01/02/19		31607A703 FIDELITY GOVERNMENT PORTFOLIO 24422ERE1	INTEREST RCVD	227.70	
01/14/19		JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	INTEREST RCVD	1,950.00	
01/14/19		3130A8NT6 FEDERAL HOME LOAN DTD 07/13/16 CALL 1.48% 07/13/2021-2017	INTEREST RCVD	740.00	

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
01/15/19		713448BN7 PEPSICO INC DTD 01/14/10 4.5% 01/15/2020	INTEREST RCVD	562.50	
01/16/19		29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	148.63	
01/25/19		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 3136G3J30	INTEREST RCVD	121.75	
01/28/19		FANNIE MAE DTD 07/28/16 CALL 1.6% 07/28/2021-2016 3136G3XZ3	INTEREST RCVD	800.00	
01/28/19		FANNIE MAE DTD 07/28/16 CALL 1.5% 07/28/2021-2016 31398R7H2	INTEREST RCVD	750.00	
01/28/19		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	5.17	
Total Interest				5,305.75	0.00
Total Income				5,305.75	0.00
Asset Activity					
Assets Sold					
01/25/19	1,547.810-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	1,547.81	1,656.16-
01/28/19		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
Total Assets Sold				1,547.81	1,656.16-
Total Asset Activity				1,547.81	1,656.16-
Fees					
01/28/19		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 01/20/2019	DISBURSEMENT	849.32-	
Total Fees				849.32-	0.00
Cash Management					
01/31/19	6,004.240	31607A703 NET CASH MANAGEMENT	NET CASH MGMT	6,004.24-	6,004.24
Total Cash Management				6,004.24-	6,004.24
Miscellaneous					
01/14/19		24422ERE1 AMORTIZATION ON 100,000 UNITS JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021 EFFECTIVE 01/12/2019 TO ADJUST TAX LOT, AMORTIZATION = 1,016.52-	AMORTIZATION		1,016.52-

Account Statement

Account Number: **1035003119**
January 01, 2019 To January 31, 2019

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
01/15/19		713448BN7 AMORTIZATION ON 25,000 UNITS PEPSICO INC DTD 01/14/10 4.5% 01/15/2020 TO ADJUST TAX LOT, AMORTIZATION = 339.50-	AMORTIZATION		339.50-
Total Miscellaneous				0.00	1,356.02-
01/31/19		Ending Balance		0.00	2,698,851.29

Disclosure

1099S WILL BE POST-MARKED ON OR BEFORE FEBRUARY 28TH UNLESS THE ACCOUNT HOLDS COMPLEX ASSETS (REITS, GNMA, FNMA, OTHER GOV'T AGY) OR MASTER LIMITED PARTNERSHIPS (MLPS). THE LATTER WILL BE POST-MARKED BY MARCH 18TH. MAILING OF FIDUCIARY TAX INFORMATION WILL BEGIN MID-FEBRUARY AND CONTINUE THROUGH EARLY APRIL.

EXPENSE REPORT

2019 Expense Reports

	January	February	March	April	May	June	July	August	September	October	November	December
Randall Bonner												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kasey Castillo												
Internet												
Cell Phone												
Travel	\$ 12.00	\$ 12.00										
Total	\$ 12.00	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jordan Ehrenkranz												
Internet	\$ 40.00	\$ 40.00										
Cell Phone												
Travel												
Total	\$ 40.00	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Larry Greene												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jeremy Smith												
Internet	\$ 40.00	\$ 40.00										
Cell Phone	\$ 46.56	\$ 46.43										
Travel	\$ 146.96	73.48										
Total	\$ 233.52	\$ 159.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MINUTES
REGULAR MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, February 6, 2019
Closed Session - 5:30 p.m.
Open Session - 6:30 p.m.

City Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587

Closed Session – 5:30 p.m.

CALL TO ORDER

Mayor Greene called the meeting to order at 5:30 p.m.

CITY COUNCIL ROLL CALL

Present: Council Members Bonner, Castillo, Smith, and Mayor Greene
Absent: Mayor Pro Tem Ehrenkranz

PUBLIC COMMENTS

There were no public comments.

CLOSED SESSION

The City Council entered Closed Session at 5:30 p.m.

SESSION PURSUANT TO GOVT. CODE SECTION 54956.9(d)(2) – Based upon existing facts and circumstances, a point has been reached where, in the opinion of the City Council upon the advice of legal counsel, there is a significant exposure to litigation against the City – 3 cases

The City Council returned from Closed Session at 6:25 p.m. with no reportable action.

Open Session – 6:30 p.m.

CALL OPEN SESSION TO ORDER

Mayor Greene called the meeting to order at 6:29 p.m.

INVOCATION

Invocation was led by Pastor Pete VanDyke

Flag Salute was led by Darcy Burke

CITY COUNCIL ROLL CALL

Present: Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene.

APPROVAL OF THE CITY COUNCIL AGENDA

Councilmember Smith requested to pull Item 3 from the agenda.

City Attorney Martyn announced that the City Council met in Closed Session on January 9, 2019, at the Adjourned Regular City Council Meeting and reported the non-renewal of the employment contract with City Manager Aaron Palmer and the appointment of Mike Borja as the Acting City Manager.

CEREMONIAL MATTERS

Presentations, Awards, Proclamations, Announcements

- Chamber of Commerce Announcement
Jim Randall gave an update on upcoming Chamber events.

City Attorney Martyn advised the Mayor to finish the vote on the Approval of the Agenda.

Motion and second by Councilmember Smith/ Mayor Pro Tem Ehrenkranz.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

- Recognition – Veterans Day Sponsors
Mayor Greene called on Veterans Day Committee Chair Vicki Warren to present the trophies and certificates.

Committee Chair Warren presented sponsors who were not recognized at the last meeting with tokens of appreciation.

- Recognition – Ethan Clark
Mayor Greene presented Ethan Clark with a Certificate of Recognition for earning his merit badges to become an Eagle Scout.

- Recognition – Community Award Recipients
Mayor Greene presented the following certificates:

- Ryan Hosking – Youth of the Year
- Jordan Ehrankranz – Citizen of the Year
- Lyne Hall – Volunteer of the Year
- Fine Arts Guild – Organization of the Year

- The Friday Flyer – Business of the Year

Chamber of Commerce liaison Jim Randall also presented the Community Award Recipients with a Certificate of Recognition from Congressman Ken Calvert's Office.

PUBLIC COMMENT

Darcy Burke, EVMWD representative, gave updates from the Water District.

There were questions from the Council and discussion regarding live videos in front of the Dam.

Amanda Fisher, representative from Assemblywoman Melissa Melendez's office, gave an update on the upcoming Town Hall Meeting with Melissa Melendez.

CONSENT CALENDAR

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Adoption of Resolution No. 2019-03 - Approving Claims and Demands of the City
- (3) Adoption of Resolution No. 2019-04 – Appointing its City Manager as the City Clerk
- (4) City Council Meeting Minutes
 - January 2, 2019
 - January 9, 2019
- (5) Authorization of Professional Service Agreement with PZL Inc. for Planning Services in the Building & Safety Department

Motion and Second by Councilmembers Bonner/Smith to approve the Consent Calendar with the exception of Item 3.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

PULLED CONSENT CALENDAR ITEMS

- (3) Adoption of Resolution No. 2019-04 – Appointing its City Manager as the City Clerk

Councilmember Smith requested clarification regarding the certificates required for appointing the City Manager as the City Clerk.

Attorney Martyn explained that the previous City Manager had been designated by name to be the City Clerk as opposed to by title. The Resolution was corrected so that going forward, the City Manager can be the City Clerk. In the event the Council decides to designate someone else, the Resolution would simply be changed. She stated that there

are certificates required for the City Clerk position which is what current Deputy City Clerk Sauseda is working to complete by September.

Councilmember Smith stated that staff has really stepped up in the absence of a City Manager and thanked them for all their efforts.

Motion and Second by Councilmembers Bonner/Smith to approve Item 3.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

SCHEDULE OF FUTURE EVENTS

Mayor Greene announced the schedule of future events are located on the City's website and in the Friday Flyer.

Mayor Greene announced that the City will be hosting a Citizens Emergency Response Training Class on March 1-9.

Councilmember Bonner announced that Animal Friends of the Valleys will be sponsoring an Open House event on February 21, 2019, at 7:30 p.m.

BUSINESS ITEMS

- (6) Agreement with with Multi-Bank Securities, Inc. & Opening a Custodial Agreement with Pershing LLC

Terry Shea, Finance Director, presented the item.

Mayor Pro Tem Ehrenkranz questioned why the City is not dealing with a local bank such as BBVA. Discussion ensued.

Mayor Pro Tem Ehrenkranz questioned page #99 in the agenda packet.

Shea stated that it was included by mistake and should be removed from the packet.

Motion and Second by Councilmember Bonner/ Mayor Pro Tem Ehrenkranz to approve Item 6.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

(7) Authorization of Professional Service Agreement with iWorQ and termination of existing software solutions with CAA

Gina Dickson, Special & Code Enforcement Supervisor, gave a power point presentation on the item.

Councilmember Bonner stepped away from the dais at 7:13 p.m. and returned at 7:15 p.m.

Mayor Greene gave a brief overview and stated that the City is trying to modernize its systems and iWorQ gives the City the capabilities to do so. He continued to speak in favor of this item.

Dickson went on to give a demonstration of some of the features available with this software.

Councilmember Smith questioned how the app will integrate with the user face. Discussion ensued.

There was discussion regarding the grand total being \$15,000.00 with an additional annual cost of \$9,000.00. Discussion regarding cost continued.

Councilmember Smith questioned how the City will educate the residents on properly use the app. Discussion ensued.

Motion and Second by Councilmember Bonner/ Mayor Pro Tem Ehrenkranz to approve Item 7.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

(8) Introduction and First Reading of Ordinance No. 179 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE REPEALING AND READOPTING CHAPTER 5.01 REGARDING BUSINESS LICENSES TO UPDATE PROVISIONS AND ADDRESS MOBILE VENDORS AND ENFORCEMENT

Gina Dickson, Special & Code Enforcement Supervisor, presented the item. Staff recommends an amendment to Chapter 5.01 of the Canyon Lake Municipal Code relating to the Business License Registration Program.

Councilmember Bonner questioned the length of time before the City is in possession of the new decals referenced by Dickson.

Dickson stated that the City has already received the decals and is just awaiting approval of the amendment to the Ordinance.

Councilmember Bonner requested clarification on Section 5.01.120 regarding exemptions from licensing requirements. Discussion ensued.

Mayor Greene thanked staff for addressing all the issues.

Councilmember Castillo stated that the residents have been asking for this for quite some time and would like to see this done in conjunction with the Property Owner's Association.

Motion and Second by Councilmembers Castillo/ Smith to approve the Introduction and First Reading of Ordinance No. 179.

Motion carried 5-0, with Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene voting aye.

(9) Discussion of Implementing an Internship Program for City Hall

Councilmember Smith presented the item.

There was discussion about starting an internship program in conjunction with Assemblywoman Melissa Melendez's office and the Property Owner's Association.

Councilmembers Bonner, Castillo and Mayor Pro Tem Ehrenkranz all spoke in favor of this item.

City Attorney Martyn questioned the start date for the internship program as there are documents which she will need to provide.

Mayor Greene gave direction to staff to move forward with the Internship Program once we have the proper documents in place.

Motion and Second by Councilmembers Castillo/ Smith.

ACTING CITY MANAGER COMMENTS

There were no comments.

COMMITTEE AND COUNCIL REPORTS/COMMENTS

• **COUNCIL MEMBER BONNER**

Council Member Bonner discussed attending the RCTC Meeting. He also discussed the Move I-15 Forward group and their requests for monetary contributions from surrounding cities. He also stated that the City is coordinating a Public Safety Meeting to be held in the evening at the request of residents.

• **COUNCIL MEMBER CASTILLO**

Councilmember Castillo discussed attending the Menifee Chief workshop on January 16th. She attended a Conference on January 17th which was meant at solving homelessness in the Watershed. She stated that taking a preventative and proactive stance to prevent homelessness in Canyon Lake is very important. On January 24th she

attended the Water District's Crisis and Communications workshop. She stated that she will be attending the Emergency Preparedness Committee Meeting on February 7th to give an overview on the information that was presented by the Water District. She stated that she has not had the opportunity to attend LESJWA but will be attending in the future. She participated in a conference call regarding the Alum treatment and stated that the distribution scheduled for the week of February 18-22 has been postponed.

- **MAYOR PRO TEM EHRENKRANZ**

Mayor Pro Tem Ehrenkranz discussed attending the League of California Cities meeting in Eastvale. He attended the Vector meeting and gave a report on Climate Change and Insect Eating Dogs. He attended a meeting hosted by Melissa Melendez at the VFW and discussed an Assembly Bill which would ban paper receipts. He attended a meeting at the Chamber of Commerce on January 26th. He also discussed attending a meeting at WRCOG.

- **COUNCIL MEMBER SMITH**

Councilmember Smith thanked his father Councilmember Larry Smith from the City of Calimesa for being in attendance. He discussed attending his first RTA meeting. He attended a tour which was given by CR&R and recommended that everyone else take the tour as well. He thanked Councilmember Bonner for inviting him to attend the Roundtable meeting. He spoke briefly about the meeting with Melissa Melendez's staff regarding the internship program. He spoke about Helping Hands and the canned food drive which was held by the City & POA. He attended Melissa Melendez's Town Hall and spoke about an Assembly Bill which would ban text messages. He discussed meeting with City & POA staff to discuss the City/POA Joint Meeting. He also discussed the purchase of new signs which will notify people that they are entering a Golf Cart Community. Lastly, he stated that the Joint Meeting with the POA will take place on March 26th from 6-9 p.m. and will take place at the Lodge.

Councilmember Castillo stated that she will not be in attendance for the March 26th Joint Meeting.

- **MAYOR GREENE**

Mayor Greene discussed attending the RCA meeting and discussed being on their Executive Committee. He discussed meeting with the Sheriff to discuss the City's contract and stated that the City will be requesting an audit from them. He discussed being on the design team for Western Riverside Cities and the major drill which will take place in April. He stated that the City is moving forward at a fast pace in the search for a new City Manager and they hope to have someone in place by mid-March. Lastly, he spoke regarding a Senator who is proposing holding the gas tax from local cities if their Housing Element Plan is not up to date.

ANNOUNCEMENTS

The next regular City Council meeting is scheduled for Wednesday, March 6, 2019, at 6:30 p.m. for Open Session and 5:30 p.m. for closed session.

ADJOURNMENT

Mayor Greene adjourned the meeting at 7:57 p.m.

Respectfully submitted,

Ana V. Sauseda,
Deputy City Clerk

**MINUTES
SPECIAL MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, February 13, 2019
Open and Closed Session – 6:30 p.m.**

**City Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587**

Open Session – 6:30 p.m.

CALL TO ORDER

Mayor Greene called the meeting to order at 6:30 p.m.

FLAG SALUTE

Flag Salute was led by Mayor Pro Tem Ehrenkranz

CITY COUNCIL ROLL CALL

Present: Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, and Mayor Greene.

PUBLIC COMMENTS

There were no public comments.

**A. RECESS TO CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54957 –
Public Employee Appointment
Title of Position: City Manager**

Mayor Greene called for a recess into closed session at 6:32 p.m.

B. Reconvene to Open Session

Mayor Greene reconvened the meeting at 8:29 p.m.

C. Reporting Out

Mayor Greene announced that there was no reportable action.

ADJOURNMENT


Mayor Greene adjourned the meeting at 8:29 p.m.

Respectfully submitted,

Ana V. Sauseda, Deputy City Clerk

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike A. Borja, Acting City Manager 

DATE: March 5, 2019

SUBJECT: Authorization to Purchase Golf Community Caution Signs with Statewide Traffic Safety & Signs

Recommendation

That the City Council authorize the Acting City Manager to purchase two (2) golf community caution signs from Statewide Traffic Safety & Signs for the purpose of informing commuters traveling through to slow down.

Background

With Canyon Lake known as a golf community that allows golf cart owners to cross Railroad Canyon Rd., it was requested by Councilmember Smith to purchase and install two (2) solar powered flashing caution signs on both ends of Railroad Canyon Road, that indicate "Slow Down - Entering Golf Community" to encourage commuters traveling through to slow down. Staff reached out to Statewide Traffic Safety & Signs, who the city has used in the past to order their street signs for Railroad Canyon Rd.

Fiscal Impact

Statewide Traffic Safety & Signs provided a cost proposal of \$3329 for two (2) solar powered, customs signage, and assembly parts. Installation cost is estimated to be between \$500 - \$1000. At most, total cost for project is approximately \$4329.

Attachments

1. Sales Quote - Statewide Traffic Safety & Signs
2. Additional Quotes

ATTACHMENT 1



DATE	02/27/2019		
TO	MIKE BORJAS CITY OF CANYON LAKE		
EMAIL	mbaray@stssi.com		
FROM	Mayra Baray	PHONE NUMBER	
	STATEWIDE TRAFFIC SAFETY & SIG	FAX NUMBER	
SUBJECT	QUOTE 13002438		

www.statewidesafety.com



STATEWIDE RIVERSIDE
2225 KANSAS AVE
RIVERSIDE, CA 92507

Sales Quotation

QUOTE #	13002438
LOCATION	13
DATE	02/27/19
PAGE	1 of 1

BILL TO

S1268101
CITY OF CANYON LAKE
31516 RAILROAD CANYON RD
CANYON LAKE, CA 92587-9400

SHIP TO

CITY OF CANYON LAKE/YARD
31516 RAILROAD CANYON RD
CANYON LAKE, CA 92587-9400

QUOTE DATE 02/27/19	EXPIRE DATE 03/29/19	REQUIRED DATE	REFERENCE NUMBER	PAYMENT TERMS NET 60
WRITTEN BY Mayra Baray		CONTACT MIKE BORJAS		SHIP VIA DROP SHIP
FREIGHT TERMS PREPAID		JOB NUMBER 998		SALES REP Mayra Baray

PRODUCT/DESCRIPTION	QUANTITY	PRICE	U/M	EXTENSION
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*SO BlinkerSign, 36", DG3, Solar, "Slow Down-Entering Golf Commu	2	1475.000	EA	2,950.00
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MERCHANDISE TOTAL	HANDLING	MISC CHARGE	TAX	FREIGHT	QUOTE TOTAL
2,950.00	0.00	0.00	228.63	150.00	3,328.63

Accepted:

By: _____

Date: _____

ATTACHMENT 2



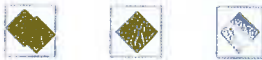
My Account

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\$7,040.00 2 items

Warning Signs TS40 Crosswalk Flashing Sign Package (W11-2)



TS40 Crosswalk Flashing Sign Package (W11-2)

\$2,770.00 – \$10,280.00

- Includes two TS40 Pedestrian Flashing LED Edge Lit Signs (W11-2).
- High intensity LEDs extend the visibility of the sign.
- Solar or AC powered.
- Fast, easy installation, low maintenance.
- MUTCD section 2A.07 compliant.
- Sign lead time 2-3 weeks.

Power Type
Solar

Sheeting
Type IX

LED Color
White

Size
36" (X2)

Activation
24/7 Flashing (standard) [Clear](#)

\$3,520.00

1 Add to cart

SKU: SI-TS40-W11-2-PKG-1
Categories: [All Signs](#), [Sign Packages](#), [Pedestrian Signs](#), [Warning Signs](#)

Cart

TS40 Crosswalk Flashing Sign Package (W11-2)
2 x \$3,520.00

Subtotal: \$7,040.00

[View Cart](#) [Checkout](#)

- Product Categories
- All Signs
 - Sign Packages
 - Pedestrian Signs
 - Stop Signs
 - School Zone Signs
 - Warning Signs
 - Regulatory Signs
 - Speed Signs
 - Railroad Signs
 - Clearance Signs
 - Custom Signs
 - Hand Held Signs

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2 Items - (\$3,468.00)

Shop Categories

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Welcome Log In
Account Tools

(0)
Lists

Submit

Shopping Cart

Item	Item Number	Price	Quantity	Add-ons	<input type="button" value="Print Cart"/>	<input type="button" value="Email Cart"/>	<input type="button" value="Save"/>
 <p>Tapco® 2180-00232 BlinkerSign® Flashing LED Pedestrian Crossing Sign W11-2, 36"W, Solar globalindustrial.com Shipping: Usually ships in 5 to 8 days</p>	WRB1504131	\$1,734.00	<input type="text" value="2"/>		Subtotal (2 Items) \$3,468.00 Calculate shipping		

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To view shipping charges, use the Shipping Calculator featured in the Shopping Cart. Unless otherwise stated, freight and shipping fees will be charged for shipments to anywhere in the contiguous United States, using a carrier of our choice. Other terms apply to Alaska, Hawaii, Puerto Rico, and export orders. Any extra charges incurred for additional services, such as customer's carrier or special handling by the carrier, must be paid by the consignee. Items backordered from an order qualifying for prepaid shipping charges will be shipped prepaid. Title and risk of loss pass to the customer upon tender of shipment to the carrier. Certain restrictions apply to Free Shipping promotions. These include use of our choice of carriers and shipping methods as well as other limitations.

Collect Shipments - We will gladly ship via your specified carrier however; we will not ship with certain carriers due to poor experience.

TRANSIT TIME: *

UPS Ground: 3 - 8 Business Days

Recently Viewed Items

 Tapco® 2180-00232 BlinkerSign® Flashing LED Pedestrian Crossing Sign W11-2, 36"W, Solar
\$1,734.00

Qty:

current sign design

version A



36" Diamond, 2.25" Rad w/(2) 3/8" holes 36" apart on center

C1900616

Customer	Statewide Safety & Signs
Customer #	C27846
Sales order #	SO Q1903349
Sales person	Courtney J
File name	Q1903349 .fs

By checking "Approves for Production" and signing below, customer agrees to purchase sign as it appears on this artwork proof. Once this approval is received by TAPCO production will begin and any changes and/or cancellations will not be possible.

Customer...	date & signature
... approves for production <input type="radio"/>	<input type="text"/>
... requests changes / additions <input type="radio"/> (please describe below)	<input type="text"/>

ORDINANCE NO. 179

**AND ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE
REPEALING AND READOPTING CHAPTER 5.01 REGARDING BUSINESS LICENSES
TO UPDATE PROVISIONS AND ADDRESS MOBILE VENDORS AND
ENFORCEMENT**

Section 1. The City Council of the City of Canyon Lake does ordain as follows:

Chapter 5.01 of the City Code, "Business Licenses" is repealed in its entirety and readopted to read as follows:

Section

5.01.010	Definitions.
5.01.020	Business license required.
5.01.030	License required for each business location.
5.01.040	Business license application.
5.01.050	Annual renewal.
5.01.060	Posting license or Vehicle Decal
5.01.070	Form and content of license.
5.01.080	Powers and duties of City Clerk regarding licenses.
5.01.090	Transfer of business license and/or decal.
5.01.100	Compliance with other laws and regulations.
5.01.110	Evidence of doing business within the City.
5.01.120	Exemptions from licensing requirement.
5.01.130	Fees.
5.01.140	Penalties for violation.

5.01.010 Definitions.

The following words and phrases shall, for the purposes of this Chapter, be defined as follows, unless it is clearly apparent from the context that another meaning is intended.

(a) "Business" means professions, trades, or occupations including but not limited to, contractors and subcontractors of all and every kind or calling which may be engaged in for the purposes of earning, in whole or in part, a profit or livelihood, whether or not a profit or livelihood is actually earned, and whether paid for in money, goods, waiver or otherwise. Business includes, but is not limited to, professions, trades or occupations which have a fixed location within the City as well as those which do not have a fixed location within the City but are doing business within the City, including but not limited to mobile operators and home occupations as defined here.

(b) "City Clerk" shall mean the City Clerk of the City of Canyon Lake or his or her designee(s).

(c) "Employee" shall mean either 1) any person engaged or employed by any business which business withholds, or is required to withhold, compensation for the purpose of paying State or Federal taxes as required by the Franchise Tax Board or Internal Revenue Service; or 2) any person who is regarded as the employee of any business for purposes of the Worker's Compensation laws or other laws of the State of California, including (without limitation) a real estate agent working for, or engaged by, a real estate broker and which business is subject to the provisions of this Chapter.

(d) "Home occupation" means those uses customarily conducted in a residence incidental and secondary to its use as a residence as defined in the Canyon Lake Land Use Ordinance No. 348, Section 21.36.

(e) "Mobile operator" means a business operated on a mobile basis using a vehicle to visit customer locations, and includes mobile vehicle washing; pest control; carpet, drape or furniture cleaning; concrete mixing; masonry; painting or coating; landscaping; pool or fountain cleaning; port-a-potty delivery, dog or other animal grooming or related service, or similar services provided on a regular basis. It excludes one-time deliveries such as those for furniture, items ordered on-line.

(f) "Person" means a natural individual, corporation, whether foreign or domestic, joint venture, association, partnership, estate or trust, or any combination thereof, acting as a unit and engaged in any business in the City, other than as an employee, and specifically includes an independent contractor and a sole proprietorship.

(g) "Professional associate" or "Associate" means a professional separately licensed by the State, including but not limited to realtors, attorneys, beauticians, barbers, manicurists, dentists, dental hygienists, veterinarians, doctors, podiatrist and chiropractors.

5.01.020 Business license required.

Unless exempted pursuant to Section 5.01.120, no person shall engage in any business within the City without a valid business license issued pursuant to this Chapter and without complying with any and all regulations applicable to such business.

5.01.030 License required for each business location.

A separate business license shall be required for each fictitious business name statement for a person or business doing business within the City from separate fixed locations. A separate business license shall be required for each location of a business within the City. A license as evidenced by a decal shall be required for all mobile vendors.

5.04.040 Business license application.

(a) An application for a business license shall be filed utilizing a form provided by the City. The permit application shall not be deemed filed unless the applicant has filled out the form completely and accurately. The applicant shall be the person desiring to engage in the business or such person's duly authorized representative.

(b) All applications shall be accompanied by a filing fee in an amount established by resolution of the City Council or a request for a waiver of such fee pursuant to this Chapter. Additional fees shall be owed for late applications or repeated failure to file for a license.

(c) The application shall contain the following:

(1) The name, business address, mailing address, cell and/or business telephone numbers, email and fax number (if any) of the person or entity who will engage in the business (the "applicant"); if different, the name, business and mailing address, telephone number and fax number and after hours emergency; and the person authorized to accept service of process.

(2) If the business is advertised to the public by name or designation other than the name of the applicant, that name or designation and proof of filing of a fictitious business name statement.

(3) A detailed description of the nature of the business, including, but not limited to, a listing of all Federal, State, County and other required permits or licenses, including any contractor's state permit or license number and category.

(4) An employer shall disclose on the application the number of professional associates as defined herein as of the date of the license application or renewal and the type of license held by each such person. An additional fee shall be payable annually for each associate. The employer also shall disclose on the application the total number of employees of the business as of the date of the application.

(5) A statement whether or not the business is a mobile vendor providing services from its vehicle(s) and the number of vehicles providing services within the City.

(6) The signature of the applicant or corporate agent acknowledging under penalty of perjury that the information provided on the application is true and correct to the best of that person's knowledge and that the applicant or corporation is responsible for all applicable fees; and such other and further information as the City Council or City Clerk may deem necessary.

(7) The application shall not be deemed filed unless the form has been filled out completely and accurately and all applicable fees paid.

(8) It is a violation of this Code, intentionally to give any false or misleading information on the business license application.

5.01.050 Annual renewal.

(a) The first business license obtained by a business shall be good through December 31 of each year no matter on what date it was obtained.

(b) Thereafter, a business license shall be valid from January 1 through December 31 of each year. There shall be no refund if the business closes or the number of associates

decreases during any year; there shall be no additional charge during that year if the number of associates increases.

(c) The license shall be renewed annually by the filing of a renewal application, accompanied by payment of the appropriate fee as set by Resolution of the City Council beginning November 1 of each year. The renewal and fee shall be delinquent after January 31 of each calendar year. Failure to renew or failure to indicate that your business is not renewing shall result in payment of late fees. The business is not allowed to apply for a new business license to avoid late penalties.

(d) The City may send a notice of renewal to each person holding a business license before December 31 of each year (i.e., by the end of November of each year). The notice shall be mailed to the business address set out in the application and shall remind the person of the requirement to renew his or her business license and how to do so. Failure of the City to send or the person to receive a renewal notice shall not waive the renewal requirement.

5.01.060 Posting license or Vehicle Decal.

Every business license shall be posted in a conspicuous place upon the premises where such business is conducted or, for a home occupation, the license shall be produced in response to a request from the City Clerk, duly authorized law enforcement officers and City special enforcement officers.

Mobile operators shall purchase and have a decal showing licensure displayed in plain sight in or on the vehicle window where it can be seen by code enforcement. The business license must remain in view at all times while that business is conducted within the City.

5.01.070 Form and content of license

(a) The business license shall be prepared and issued upon approval by the City Clerk. For a mobile vendor, the City Clerk will issue a decal or one or more vehicles used to provide business services.

(b) The license shall be deemed null and void if the license application is determined to contain any false or misleading information.

(c) Each license shall state on its face the following:

- (1) The name of the business or person to whom the license is issued;
- (2) The location of the business;
- (3) The date of the issuance of the license;
- (4) The date of the expiration of the license;
- (5) The license control number, unique to each license;

- (6) The official seal of the City;
- (7) All other required permit or licenses including but not limited to contractor's licenses;
- (8) The number of associates, if any, which the business had; and
- (9) Such other and further information as the City Council or City Clerk shall deem appropriate.
- (10) The decal as well as license is required for a mobile vendor.

5.01.080 Powers and duties of City Clerk regarding licenses.

(a) The City Clerk may enforce the provisions of this Chapter with duly authorized law enforcement officers or City enforcement officers all of whom shall have the authority to enter, examine all places of business within the City and their business license records or business vehicles to confirm compliance with this Chapter. Any such entry shall comply with applicable constitutional requirements.

(b) The City Clerk performing the duties of the license collector shall have access to State and local summary criminal history information in order to fulfill his or her duties regarding licensing. Penal Code Section 432.7, Stats. 1974 and Ch. 1321 shall apply to such information.

(c) The City Clerk at a minimum shall keep a record of all licenses and decals issued, the term, to whom issued, the location of the business, the amount of the fee paid and any other necessary information.

5.01.090 Transfer of business license and/or decal.

(a) When a business is transferred from one location to another location within the City, the current license may be amended by the City Clerk to authorize the conduct of the business at the new location without an application for transfer or payment of a transfer fee.

(b) Otherwise, application for any transfer or assignment shall be filed on a form provided by the City for that purpose prior to the effective date of the transfer or assignment. The transfer application shall not be deemed filed unless the licensee or such person's has filled out the form completely and accurately duly authorized representative and the fee paid. A transfer or assignment may be from one person to another.

(c) The application shall be accompanied by a transfer fee in an amount established by resolution of the City Council. Additional fees shall owe for a late application.

(d) Any mobile vendor who sells or transfers a vehicle with a decal other than in a transfer of the mobile vending business shall remove the decal from the vehicle and notify the City that such vehicle no longer is used.

5.01.100 Compliance with other laws and regulations.

(a) The fact that a business license has been issued does not authorize or legalize any business or business activity which violates any Federal, State or local governmental ordinance or regulation, nor shall the issuance of a business license be construed as permitting a business in a zone or land use district where such business otherwise is not permitted.

(b) In any trade or profession where a City, County, State or Federal license or permit is required, such license or permit shall first be exhibited to the City Clerk before a City business license will be issued. However, the City shall not be responsible for verifying or confirming the validity of any other license, permit or requirement.

(c) A City business license shall not be issued until an applicant has obtained all necessary City land use entitlements or City building permits to operate the business in and at its location. In applying for a building permit or other entitlement for a business, the applicant shall provide the license control number.

(d) Nothing in this Subsection shall preempt any Property Owner's Association and/or CC&R requirements or restrictions that must be met separately.

5.01.110. Evidence of doing business within the City.

The following circumstances shall be considered evidence that a person is conducting business within the City.

(a) The person consistently represents, holds out or advertises in any sign advertising, card, brochure, website or other on-line listing, telephone book, magazine, newspaper or otherwise that he/she/it is doing business in the City.

(b) The person holds a current license or permit issued by a governmental entity indicating the person is doing business within the City.

(c) The person is observed by reliable witnesses regularly providing services to those within the City.

(d) Real estate agents or brokers who post signs within Canyon Lake even without an office location in the City are doing business in the City.

(e) Notwithstanding, a person may provide to the City a sworn statement, acceptable in form to the City, stating that he or she is not doing business within the City. The City may determine whether or not to accept such statement.

5.01.120. Exemptions from licensing requirement.

No business license (either application or fee) shall be required of or for:

(a) Places of worship to the extent used for the exercise of religion (not including schools, housing or businesses);

(b) Occasional garage sales, including, but not limited to, yard, lawn, attic, patio, moving or rummage sales held to sell, exchange, trade or dispose of surplus household or personal goods belonging to those conducting the garage sale on their own residential premises, which sales may not be conducted for more than three 48-hour periods per calendar year.

(c) Occasional, seasonal or sporadic temporary bazaars, carnivals or other sales conducted by charitable or public service organizations (IRC Section 501(c)(3), (4) or (6), or California nonprofit public benefit corporations or similar unincorporated associations) for fund raising purposes where conducted with a temporary use permit or where no temporary use permit is required;

(d) Minors selling goods to raise funds for schools or for established non-profit public service organizations such as Boy Scouts, Girl Scouts, Camp Fire Girls and so forth;

(e) Group homes of six persons or fewer or similar facilities exempt under state or federal law;

(f) Churches when engaging in religious activities (not including operation of a school)

(g) Domestic household help in the employ of an individual homeowner, or a baby sitter caring for six or fewer children in total at a given address, including the sitter's own children; or

(h) Other businesses that the City may not regulate.

5.01.130. Fees.

The City Council by resolution shall determine and adopt a schedule of fees to cover the cost of business licensing and regulation. Additional fees shall be charged for late applications or failure to file for a license. Such fees shall be a personal debt of the applicant.

5.01.140. Penalties for violation.

(a) The City may enforce the requirements of this Chapter in any manner legally available, including but not limited to administrative citations.

(b) Any person who violates any provision of, or fails to comply with any requirement of, this Chapter is guilty initially of an infraction and, upon conviction thereof, shall be punished in accordance with Canyon Lake Municipal Code Section 1.01.200. A third violation shall be a misdemeanor, and shall be punished as set out therein.

(c) Any violation of this Chapter is deemed a public nuisance.

Section 2. Effective Date. This ordinance shall be effective 60 days from the date of its adoption. The amendment of this ordinance shall have not void warnings or citations issued under the prior ordinance before the effective date of this ordinance.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2019.

Larry Greene, Mayor

ATTEST:


APPROVED AS TO FORM:

Ana V. Sauseda, Deputy City Clerk

Elizabeth Martyn, City Attorney

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike A. Borja, Acting City Manager 

DATE: March 6, 2019

SUBJECT: Consideration of City Manager Contract, Resolution 2019-06 Appointing the City Manager and City Treasurer, including the Adoption of Resolution 2019-07 & Resolution 2019-08 for the City's Banking and Investment Accounts

Recommendation

That the City Council consider adopting Resolution 2019-06, appointing the City Manager and City Treasurer, which includes the adoption of Resolution 2019-07 & 2019-08 for signatories of the city's banking and investment accounts.

Background

After advertising and interviews, the City Council has made an offer of employment to Chris Mann and he tentatively has accepted the position, subject to its approval by the Council.

State law requires that the details of that proposed employment contract be reiterated before action on the contract. The contract is public and provides for an annual salary of \$142,000, benefits generally the same as those of other employees and a cell phone reimbursement of \$150/month. The final contract will be provided at or before the date of the meeting.

In addition to the Employment Agreement, the City must officially appoint the City Manager by resolution. The City Manager also functions as the Treasurer and City Clerk as set out in Resolution No. 2019-06 & Resolution No. 2019-04.

The City also must update the signatories on its business banking account (Resolution No. 2019-08) and its LAIF investment accounts (Resolution No. 2019-07).

Fiscal Impact

Fiscal impact to the City's General Fund accounts 310-6010 Salaries & Wages, 6080 Benefits, and 6310 Communications, as described in the final contract.

Attachments

1. Contract Agreement with Chris Mann
2. Resolution 2019-06

3. Resolution 2019-07
4. Resolution 2019-08

ATTACHMENT 1

The final contract will be provided at or before the date of the meeting.

ATTACHMENT 2

RESOLUTION NO. 2019-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPOINTING CHRISTOPHER F. MANN AS THE CITY MANAGER AND, CITY TREASURER

WHEREAS, the term of the contract with Aaron Palmer expired on February 28, 2019; and

WHEREAS, the City Council at its regular meeting held on January 9, 2019 appointed Mike Borja to serve as the Acting City Manager, Acting City Treasurer, and City Clerk until a City Manager was selected; and

WHEREAS, the City Council duly advertised the position of City Manager, conducted interviews, and now Chris Mann is the City Manager and City Treasurer effective March 1, 2019; and

WHEREAS, pursuant to Resolution No. 2019-04, the City Manager also serves as the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AND ORDERS AS FOLLOWS:

Section 1. That effective March 1, 2019, the City Council appoints Chris Mann as the City Manager and City Treasurer and he also will serve as the City Clerk.

Section 2. That the City shall pay the cost of any bond required.

PASSED, APPROVED AND ADOPTED this 6th day of March, 2019.

Larry Greene, Mayor

ATTEST:

Ana V. Sauseda, Deputy City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

I, Ana Sauseda, Deputy City Clerk of the City of Canyon Lake, California, do hereby certify that the foregoing is a true and correct copy of the Resolution No. 2019-06 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting held on the 6th day of March, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ana V. Sauseda, Deputy City Clerk

ATTACHMENT 3

RESOLUTION NO. 2019-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, UPDATING AUTHORIZED ACCOUNT SIGNATORIES AND AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the City of Canyon Lake; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The following City of Canyon Lake officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

_____	_____	_____
(NAME)	(NAME)	(NAME)
_____	_____	_____
(TITLE)	(TITLE)	(TITLE)
_____	_____	_____
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

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Section 2. This resolution shall remain in full force and effect until rescinded by the City Council by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED, APPROVED AND ADOPTED this 6th day of March, 2019.

Larry Greene, Mayor

ATTEST:

Ana V. Sauseda,
Deputy City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

I, Ana Sauseda, Deputy City Clerk of the City of Canyon Lake, California, do hereby certify that the foregoing is a true and correct copy of the Resolution No. 2019-07 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting held on the 6th day of March, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ana V. Sauseda,
Deputy City Clerk

ATTACHMENT 4

RESOLUTION NO. 2019-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, UPDATING AUTHORIZED ACCOUNT SIGNATORIES FOR CITIZEN'S BUSINESS BANK

WHEREAS, the City Council of the City of Canyon Lake must update the account signatories for its business banking account.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE RESOLVES AND ORDERS AS FOLLOWS:

Section 1. APPROVAL OF BANKING AGREEMENT. The City of Canyon Lake authorizes the following signatories to transact business on behalf of the City and authorizes the City Manager to take any and all actions necessary to carry out this action.

Larry Greene, Mayor

Jordan Ehrenkranz, Mayor Pro Tem

Randall P. Bonner, Councilmember

Kasey Castillo, Councilmember

Jeremy Smith, Councilmember

Chris Mann, City Manager

PASSED, APPROVED AND ADOPTED this 6th day of March, 2019.

Larry Greene, Mayor

ATTEST:

Ana V. Sauseda, Deputy City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

I, Ana Sauseda, Deputy City Clerk of the City of Canyon Lake, California, do hereby certify that the foregoing is a true and correct copy of the Resolution No. 2019-08 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting held on the 6th day of March, 2019, by the following vote:

AYES:

NOES:


ABSTAIN:

ABSENT:

Ana V. Sauseda, Deputy City Clerk

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike Borja, Acting City Manager 

BY: Terry Shea, Finance Director

DATE: March 6, 2019

SUBJECT: Review of Fiscal Year 2017-18 Audited Financial Statements

RECOMMENDATION:

It is recommended that the City Council receive and file the Fiscal Year 2017-18 Annual Financial Statements.

BACKGROUND:

Attached you will find the City of Canyon Lakes' Annual Financial Report (Report) and associated letters prepared by Lance, Soll & Lunghard, LLP (LSL). The Report expresses an "unmodified opinion" for the City acknowledging the City's finances and accounting procedures are in order. The Finance & Planning Committee reviewed the information on January 8, 2019 and on February 5, 2019.

DISCUSSION:

In late November, Lance, Soll & Lunghard, LLP (LSL) audited the City's financial records inclusive of reviewing its internal controls and testing procedures. As a result of that effort, along with an unmodified opinion in the Audit Report, LSL issued two letters. As covered in the attached Internal Control Letter, LSL found that the City has no internal control deficiencies or compliance issues.

The General Fund fund balance at June 30, 2018 was \$4,241,302, of which \$1,846 was nonspendable, \$75,000 was assigned and \$4,164,456 was unassigned and available to fund ongoing operations. Total General Fund revenues were \$5,090,849 and expenditures were \$4,842,891, leaving the General Fund with an increase in Fund Balance of \$247,958.

CONCLUSION:

It is recommended that the City Council approve the audit by receiving and filing the documents provided by LSL. If there are questions with regard to the audit, they can be addressed to the auditor directly or to the City's Finance Director.

Attachments

1. Annual Financial Report Fiscal Year 2017-18
2. LSL Certified Public Accountants Letter of 01/28/19
3. LSL Certified Public Accountants Report on Internal Controls

ATTACHMENT 1

**CITY OF CANYON LAKE,
CALIFORNIA**

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2018

City of Canyon Lake
Annual Financial Report
June 30, 2018
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Canyon Lake, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Canyon Lake, California, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1, the City adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and gas tax fund, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of changes in total OPEB liability and related ratios, and the OPEB schedule of employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
January 28, 2019

Management's Discussion and Analysis

As management of the City of Canyon Lake, California (City), we are pleased to offer to the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the end of fiscal year 2018 by \$12,677,661. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is referred to as net position.
- The City's total net position decreased by \$281,711 during fiscal year 2017-2018.
- As of June 30, 2018, the City's governmental funds reported combined fund balances of \$5,709,538, a decrease of \$32,054 from the prior fiscal year, and \$4,239,456 of the governmental funds' fund balances are assigned and unassigned.
- As of June 30, 2018, assigned and unassigned fund balances for the General Fund was \$4,239,456 or 87.5 percent of total General Fund expenditures.
- The City's total debt decreased by \$136,494 during the fiscal year as a result of the principal payments paid on the Riverside County Transportation Commission and Riverside County loans. The unfunded pension liability of \$380,550 and the unfunded OPEB liability of \$134,345 are included in these financial statements.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 12 - 13 of this report.

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

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

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

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

The City adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund and Capital Projects Fund in order to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14 - 17 of this report.

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

The basic fiduciary fund financial statement can be found on page 18 of this report.

Notes to the basic financial statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 - 46 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), as listed on the Table of Contents and which can be found on pages 47 - 52.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information and can be found on pages 54 - 57 of this report.

Government-wide financial analysis

As noted earlier, net position may, over time, serve as a useful indicator of the City's financial position. For the fiscal year ended June 30, 2018, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$12,677,661 as summarized below:

Statement of Net position

	Governmental Activities	
	2018	2017
Assets:		
Current and other assets	\$ 6,533,583	\$ 6,812,672
Capital assets (net of depreciation)	7,600,249	7,951,035
Total assets	<u>14,133,832</u>	<u>14,763,707</u>
Deferred outflows of resources:		
Pension related items	<u>137,781</u>	<u>104,782</u>
Liabilities:		
Current and other liabilities	980,258	1,221,959
Long-term liabilities	571,147	517,661
Total liabilities	<u>1,551,405</u>	<u>1,739,620</u>
Deferred inflows of resources:		
Pension related items	<u>42,547</u>	<u>56,961</u>
Net position:		
Net investment in capital assets	7,407,390	7,612,518
Restricted	1,468,236	1,748,248
Unrestricted	3,802,035	3,711,142
Total net position	<u>\$ 12,677,661</u>	<u>\$ 13,071,908</u>

The City's net position only include infrastructure assets such as roads, streets, lighting systems, drainage systems, bridges, etc. that were added in the fiscal years ending June 30, 2004 through 2018. Historically, the City has not recorded these assets. Under GASB 34, the City has elected not to retroactively include the value of major infrastructure assets in the statement of net position.

Excluding the unknown value of infrastructure assets, net investment in capital assets represents 58.4 percent of the City's net position. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position, \$1,468,236 or 11.6 percent, represent resources that are subject to restrictions on how they may be used. The remaining balance, (unrestricted net position), is \$3,802,035.

Statement of Activities: The statement of activities shows how the City's net position changed during the fiscal years 2017-18 and 2016-17. Provided below is a summary of changes in net position.

Statement of Changes in Net position

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 370,679	\$ 316,186
Operating grants and contributions	676,682	533,346
Capital grants and contributions	59,254	22,717
General revenues	<u>4,651,204</u>	<u>4,496,846</u>
Total revenues	<u>5,757,819</u>	<u>5,369,095</u>
Expenses:		
General government	980,904	914,836
Public safety	3,609,319	3,051,354
Public works	1,213,374	955,908
Community development	234,590	185,905
Interest on long-term debt	1,343	2,091
Total expenses	<u>6,039,530</u>	<u>5,110,094</u>
Change in net position	(281,711)	259,001
Net position - beginning - as restated	<u>12,959,372</u>	<u>12,812,907</u>
Net position - ending	<u>\$ 12,677,661</u>	<u>\$ 13,071,908</u>

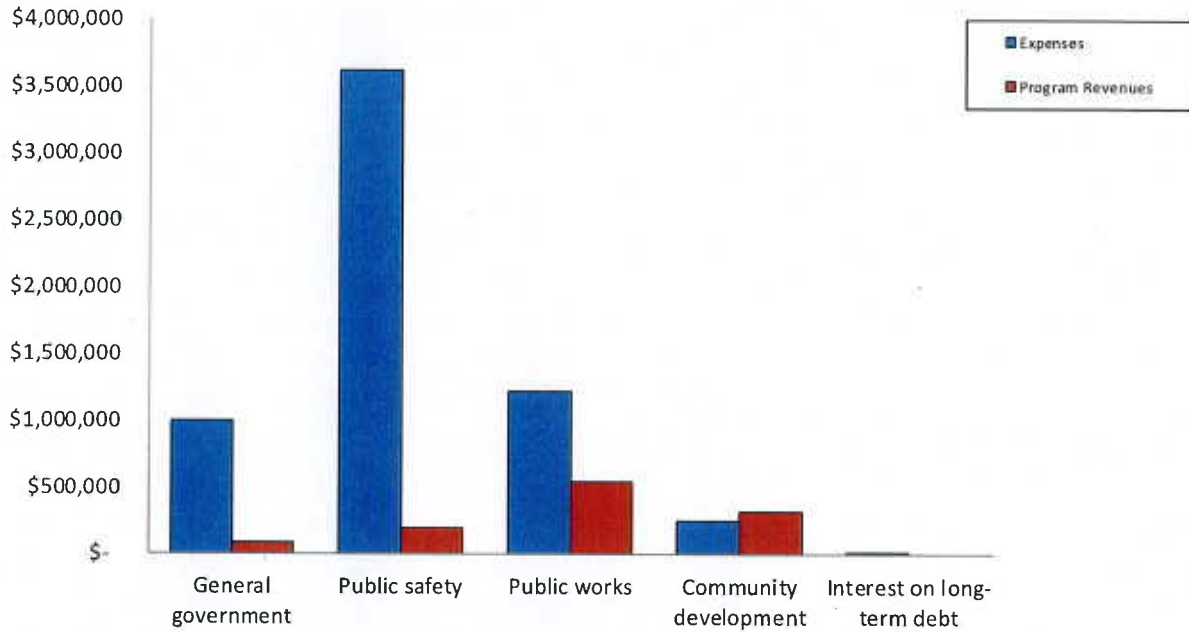
The City's net position decreased overall by \$281,711 during the current fiscal year. The reason for the decrease is explained in the governmental activities discussion below.

Governmental activities: Net position from governmental activities assets decreased by \$281,711. Key elements of the decrease are as follows:

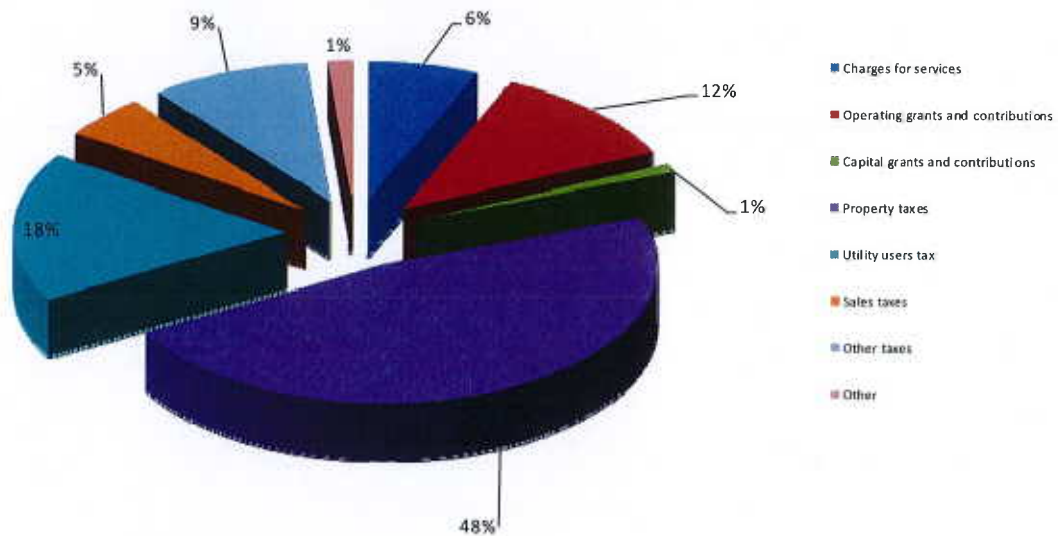
- Increase in net pension liability of \$60,969.
- Adoption of GASB 75 resulting in an OPEB liability of \$134,345.
- Depreciation expense of \$543,591.
- Street maintenance slurry seal project of \$263,778.

The charts below provide graphic representation of the City's expenses compared to program revenues by function and its revenue by source.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



The governmental activities expenses and program revenues chart is designed to reflect expenses associated with each City function and the revenues that are directly attributable to each function. It is important to note that general revenues such as property, sales and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide. Regarding the revenues by source chart, it shows that 48 percent of governmental activities revenues came from property tax revenue.

Financial Analysis of City's Funds

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

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. Please refer to pages 14 - 17 for more detail on governmental funds.

As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$5,709,538, a decrease of \$32,054 in comparison with the prior year. Of the \$5,709,538, \$4,239,456 or 74.2 percent constitutes assigned and unassigned fund balance. The remainder of fund balance is nonspendable, restricted or committed to indicate that it is not available for new spending or constraints are placed on the use of resources, respectively. The decrease in governmental fund balance is due to an increase in the fund balance of the General Fund of \$247,958 offset by a decrease in the Gas Tax Fund of \$293,823. The decrease in the Gas Tax Fund is due primarily to the slurry seal project. For the General Fund this is a decrease of \$361,150 from the last fiscal year's increase of \$609,108. The reduction in revenues over expenditures from the previous year is due to increases in property taxes of \$103,264, sales tax of \$51,560, building permits and fees of \$53,034 offset by increases in the cost of animal control services of \$43,534, increases in expenditures for police services of \$85,614, fire protection services of \$335,664, included in this is \$118,000 in repairs and maintenance for the fire station, building and safety costs of \$46,976 because of increased activity and special enforcement costs of \$106,177 due to increases in salaries and benefits and hours served and the purchase of a vehicle for \$46,268.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2018, assigned and unassigned fund balance was \$4,239,456. As a measure of the General Fund's financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Assigned and unassigned fund balances represent 87.5 percent of General Fund expenditures. For the fiscal year, the General Fund's fund balance increased \$247,958 from the prior year. The differences between the General Fund budget and actual are summarized below:

- General Fund actual revenues were above budget by \$225,686 mainly due to higher than anticipated property taxes, other taxes and building permit revenues.
- Actual expenditures were \$6,685 less than the final budgeted amount of \$4,849,576, with police and fire protection services being lower than anticipated and community development costs being higher than expected to increased activity in planning and building.

Capital Assets and Debt Administration

Capital Assets: City investment in capital assets for its governmental type activities as of June 30, 2018, amounted to \$7,600,249 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery/vehicles and infrastructure assets.

Capital assets events during the current fiscal year included the following:

- Purchase of a hybrid Toyota Highlander with AQMD Funds for \$46,132.
- Purchase of a Jeep Wrangler with AVA funding for \$46,269.
- Replacement of sections for the fence on Railroad Canyon Road for \$80,894.

Additional information on the City's capital assets can be found on pages 31 - 32 in the notes to the basic financial statements and a summary is provided below.

**City of Canyon Lake
Capital Assets (net of depreciation)**

	Governmental Activities	
	2018	2017
Land	\$ 130,000	\$ 130,000
Building and improvements	428,681	450,950
Machinery, equipment and vehicles	167,829	72,759
Infrastructure	6,873,739	7,297,686
Total	<u>\$ 7,600,249</u>	<u>\$ 7,951,395</u>

Long-term debt: At the end of fiscal year 2018, the City's total long-term debt outstanding was \$212,465. This amount was comprised of \$90,184 in loans from Riverside County which are secured by several different sources of revenues, \$102,675 in loans from RCTC which are secured by Measure A revenues, and \$19,606 in compensated absences.

Outstanding long-term debt of the City is summarized below, and additional information can be found on pages 32 - 33 in the notes to basic financial statements.

**City of Canyon Lake
Outstanding Long-Term Debt**

	Governmental Activities	
	2018	2017
Compensated absences	\$ 19,606	\$ 10,442
Loan payable County of Riverside	90,184	153,184
Loan payable RCTC	102,675	185,333
Total long-term debt	<u>\$ 212,465</u>	<u>\$ 348,959</u>

Pension Plan Obligations

The City implemented GASB Statement No. 68 during fiscal year 2014-15 which resulted in an ending net pension liability of \$233,356 at June 30, 2015, \$228,126 at June 30, 2016, \$319,581 at June 30, 2017, and \$380,550 at June 30, 2018. Additional information can be found on pages 34 - 41 in the notes to the basic financial statements.

The City implemented GASB Statement No. 75 during the current fiscal year which resulted in an ending total OPEB liability of \$134,345 at June 30, 2018. Additional information can be found on pages 42 - 43 in the notes to the basic financial statements..

Economic Factors and Next Year's Budgets and Rates

In preparing the budget for fiscal year 2018-19, management was conservative in its projections for revenues and budgeted increases in public safety costs as dictated by the police and fire contracts.

The Operating Budget for fiscal year 2018-19 anticipates having a deficit of \$558,028 for the General Fund.

- Anticipated General Fund Revenues of \$5,005,880, an increase of \$221,580 from the previous year due projected increases in property taxes and building permit fees.
- Proposed General Fund Expenditures of \$5,563,908, an increase of \$843,059 over the previous year, due increased costs in public safety for police of \$74,640 and fire protection of \$768,570.

Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the annual budget preparation, can be obtained from the City's 2018-19 Budget which is available at City Hall.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the City Clerk, City of Canyon Lake, 31516 Railroad Canyon Road, Canyon Lake, California 92587, or call (951) 244-2955.

**City of Canyon Lake
Statement of Net Position
June 30, 2018**

ASSETS

Cash and investments	\$ 6,085,061
Receivables:	
Accounts	150,657
Interest	11,645
Intergovernmental	284,374
Prepaid items	1,846
Capital assets, net of accumulated depreciation	<u>7,600,249</u>
Total assets	<u>14,133,832</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	<u>137,781</u>
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LIABILITIES

Accounts payable	810,162
Retention payable	13,883
Noncurrent liabilities:	
Due within one year	156,213
Due in more than one year	56,252
Total OPEB liability	134,345
Net pension liability	<u>380,550</u>
Total liabilities	<u>1,551,405</u>

DEFERRED INFLOWS OF RESOURCES

Pension related items	<u>42,547</u>
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NET POSITION

Net investment in capital assets	7,407,390
Restricted:	
Public works	1,367,027
Public safety	79,536
Equipment	21,673
Unrestricted	<u>3,802,035</u>
Total net position	<u>\$ 12,677,661</u>

The accompanying notes are an integral part of these financial statements

**City of Canyon Lake
Statement of Activities
For the Year Ended June 30, 2018**

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General government	\$ 980,904	\$ 44,369	\$ 37,798	\$ -	\$ (898,737)
Public safety	3,609,319	22,128	143,839	26,745	(3,416,607)
Public works	1,213,374	-	495,045	32,509	(685,820)
Community development	234,590	304,182	-	-	69,592
Interest on long-term debt	1,343	-	-	-	(1,343)
Total governmental activities	\$ 6,039,530	\$ 370,679	\$ 676,682	\$ 59,254	(4,932,915)
General revenues:					
Taxes:					
Property tax, levied for general purpose					2,735,016
Utility users tax					1,006,730
Transient occupancy tax					57,248
Franchise tax					335,153
Sales tax					291,586
Other taxes					142,362
Use of money and property					(4,404)
Other					87,513
					4,651,204
Total general revenues					4,651,204
Change in net position					(281,711)
Net position, beginning of year, as restated					12,959,372
Net position, end of year					\$ 12,677,661

The accompanying notes are an integral part of these financial statements

**City of Canyon Lake
Balance Sheet
Governmental Funds
June 30, 2018**

	General	Special Revenue Gas Tax Fund	Total Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,423,485	\$ 786,075	\$ 875,501	\$ 6,085,061
Receivables:				
Accounts	150,657	-	-	150,657
Interest	11,645	-	-	11,645
Intergovernmental	184,469	41,646	58,259	284,374
Prepaid items	1,846	-	-	1,846
	<u>4,772,102</u>	<u>827,721</u>	<u>933,760</u>	<u>6,533,583</u>
Total assets	<u>\$ 4,772,102</u>	<u>\$ 827,721</u>	<u>\$ 933,760</u>	<u>\$ 6,533,583</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 530,800	\$ 279,362	\$ -	\$ 810,162
Retentions payable	-	13,883	-	13,883
	<u>530,800</u>	<u>293,245</u>	<u>-</u>	<u>824,045</u>
Total liabilities	<u>530,800</u>	<u>293,245</u>	<u>-</u>	<u>824,045</u>
Fund Balances:				
Nonspendable	1,846	-	-	1,846
Restricted	-	534,476	933,760	1,468,236
Assigned	75,000	-	-	75,000
Unassigned	4,164,456	-	-	4,164,456
	<u>4,241,302</u>	<u>534,476</u>	<u>933,760</u>	<u>5,709,538</u>
Total fund balances	<u>4,241,302</u>	<u>534,476</u>	<u>933,760</u>	<u>5,709,538</u>
Total liabilities and fund balances	<u>\$ 4,772,102</u>	<u>\$ 827,721</u>	<u>\$ 933,760</u>	<u>\$ 6,533,583</u>

The accompanying notes are an integral part of these financial statements

**City of Canyon Lake
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2018**

Fund balances of governmental funds \$ 5,709,538

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 7,600,249

Deferred outflow of resources relate to:

Pension contributions made after the measurement date	38,386	
Changes of assumptions	69,841	
Difference between expected and actual experience	563	
Difference between projected and actual investment earnings	15,795	
Change in employer's proportion	13,196	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term are reported in the statement of net position.

Balances at June 30, are:

Compensated absences	\$ (19,606)		
Loan payable - County of Riverside	(90,184)		
Loan payable- RCTC	(102,675)		
Total OPEB liability	(134,345)		
Net pension liability	(380,550)		(727,360)

Deferred inflows of resources relate to:

Changes of assumptions	(5,325)	
Difference between expected and actual experience	(8,066)	
Change in employer's proportion	(10,394)	
Difference between contribution and proportionate share of contribution	(18,762)	

Net position of governmental activities \$ 12,677,661

The accompanying notes are an integral part of these financial statements

City of Canyon Lake
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	Special Revenue Gas Tax Fund	Total Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 4,510,375	\$ -	\$ -	\$ 4,510,375
Licenses and permits	383,917	-	-	383,917
Fines and forfeitures	22,128	-	-	22,128
Intergovernmental	74,699	317,885	350,351	742,935
Use of money and property	39,965	(805)	(461)	38,699
Other	59,765	-	-	59,765
Total revenues	5,090,849	317,080	349,890	5,757,819
EXPENDITURES				
Current:				
General government	913,615	-	-	913,615
Public safety	3,472,604	-	129,000	3,601,604
Public works	170,249	530,009	-	700,258
Community development	234,590	-	-	234,590
Capital outlay	51,833	80,894	60,078	192,805
Debt service:				
Principal	-	-	145,658	145,658
Interest and fiscal charges	-	-	1,343	1,343
Total expenditures	4,842,891	610,903	336,079	5,789,873
Net change in fund balances	247,958	(293,823)	13,811	(32,054)
Fund balances, beginning of year	3,993,344	828,299	919,949	5,741,592
Fund balances, end of year	\$ 4,241,302	\$ 534,476	\$ 933,760	\$ 5,709,538

The accompanying notes are an integral part of these financial statements

**City of Canyon Lake
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2018**

Net change in fund balances - total governmental funds \$ (32,054)

Amounts reported for governmental activities in the statement of activities different because:

Governmental funds report capital outlays as expenditures. However, in statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	192,805
Depreciation expense	(543,591)

Governmental funds report principal payments as expenditures. In the statement of activities, principal payments are applied to the appropriate long-term liability.	145,658
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Pension related net of adjustments	(13,556)
OPEB related net of adjustments	(21,809)
Increase in compensated absences payable	(9,164)
	(34,529)

Change in net position of governmental activities	<u><u>\$ (281,711)</u></u>
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The accompanying notes are an integral part of these financial statements

City of Canyon Lake
Statement of Fiduciary Assets and Liabilities
June 30, 2018

	<u>Agency Fund</u>
ASSETS	
Due from other governments	<u>\$ 48,109</u>
Total assets	<u><u>\$ 48,109</u></u>
LIABILITIES	
Deposits	<u>\$ 48,109</u>
Total liabilities	<u><u>\$ 48,109</u></u>

The accompanying notes are an integral part of these financial statements

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the reporting entity

The City of Canyon Lake was incorporated on December 1, 1990 under the laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including public safety, public services, community development, general administrative and other services.

There are no separate legal entities over which the City is financially accountable for.

b. Government-wide and fund financial statements

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

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

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

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

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

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

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

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

The City reports the following major governmental funds:

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

The *Gas Tax Fund* accounts for the repair and maintenance of streets and traffic signals of the City.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue resources that are restricted or committed to expenditures for specific purposes other than debt service and capital projects.

The *Capital Projects Fund* accounts for city-wide capital improvement projects.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

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

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

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

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

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

Other Accounting Policies

Deposits and investments

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

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost. The State Treasurers Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the Pool is the same as the fair value of the Pool shares.

Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

Property taxes

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

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

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

Prepaid costs

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

Capital assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than or equal to \$1,000 (amount not rounded) and an estimated useful life of at least two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition.

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

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

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

Assets	Years
Buildings	39
Building improvements	10
Infrastructure	20 - 50
Vehicles	5 - 10
Office equipment	5 - 10
Computer equipment	5

Use of estimates

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

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

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

Compensated absences

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

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

Long-term obligations

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

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

Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

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

Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The City currently has pension related deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has pension related deferred inflows of resources.

Fund equity

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

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

Fund equity, (continued)

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

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

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

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

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

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

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

Implementation of new pronouncement

GASB has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. For postemployment benefits other than pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Budgetary Information

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

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

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

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

Formal budgetary integration is employed as a management control device during the year for all the governmental type funds. Budgets for all the governmental type funds are adopted on a basis consistent with generally accepted accounting principles, except for the Capital Projects Fund which does not have a legally adopted budget. Budgeted amounts are as originally adopted and are further amended by the City Council.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net position	
Cash and investments	\$ 6,085,061
Statement of Fiduciary Assets and Liabilities	
Cash and investments	<u> -</u>
Total cash and investments	<u><u>\$ 6,085,061</u></u>

Cash and Investments as of June 30, 2018 consists of the following:

Deposits with financial institutions	\$ 3,150,825
Cash on hand	300
Investments	<u>2,933,936</u>
Total cash and investments	<u><u>\$ 6,085,061</u></u>

The City follows the practice of pooling cash and investments of all funds except for funds held by a fiscal agent. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on cash balances. Interest income from cash and investments with a fiscal agent is credited directly to the related fund.

The City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Authorized investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U. S. Treasuries	5 years	None	None
Money Market Accounts	N/A	10%	5%
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	50%	None
Federal Agency Securities	5 years	None	None
Bankers Acceptances	180 days	10%	5%
Commercial Paper	270 days	10%	10%
Medium-Term Notes	5 years	15%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	10%	None

Interest rate risk

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

Investment type	Total	12 months or less	13 to 24 months	25 to 60 months
Local Agency Investment Fund	\$ 9,749	\$ 9,749	\$ -	\$ -
Money market sweep	310,667	310,667	-	-
Negotiable certificates of deposit	394,436	99,802	-	294,634
Federal agency securities	1,703,162	197,686	388,289	1,117,187
Corporate debt securities	395,688	-	99,928	295,760
Money market	120,234	120,234	-	-
Totals	<u>\$ 2,933,936</u>	<u>\$ 738,138</u>	<u>\$ 488,217</u>	<u>\$ 1,707,581</u>

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Credit risk

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

<u>Investment type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Ratings as of year end</u>
Local Agency Investment Fund	\$ 9,749	N/A	Not rated
Money market sweep	310,667	N/A	Not rated
Negotiable certificates of deposit	394,436	N/A	Not rated
Federal agency securities	1,703,162	AA-a2	AA+
Corporate debt securities	395,688	A	A-, A, & A+
Money market	<u>120,234</u>	N/A	Not rated
Totals	<u>\$ 2,933,936</u>		

Concentration of credit risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amounts</u>
Federal Home Loan Bank	Federal agency securities	\$ 147,272
Federal Home Loan	Federal agency securities	413,703
Fannie Mae	Federal agency securities	507,454
Freddie Mac	Federal agency securities	537,866
PNC Bank	Corporate debt securities	193,844

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, the City had deposits of \$3,670,304 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this Pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as level 1, 2 or 3.

LAIF has reported to its participating agencies that, as of June 30, 2018, the carrying amount (at amortized cost) of the Pool was \$88,964,875,827 and the estimated fair value of the pool was \$88,798,232,977. The City's proportionate share of the Pool's market value (as determined by LAIF) as of June 30, 2018, was \$9,749. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

The City has the following recurring fair value measurements as of June 30, 2018:

Investments by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Negotiable certificates of deposit	\$ 394,436	\$ -	\$ 394,436	\$ -
Federal agency securities	1,703,162	-	1,703,162	-
Corporate debt securities	395,688	-	395,688	-
Money market sweep	310,667	310,667	-	-
Money Market	120,234	-	120,234	-
	2,924,187	\$ 310,667	\$ 2,613,520	\$ -
Investments by Net Asset Value				
Local Agency Investment Fund	9,749			
Totals	\$ 2,933,936			

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 130,000	\$ -	\$ -	\$ 130,000
Total capital assets, not being depreciated	130,000	-	-	130,000
Capital assets, being depreciated:				
Buildings	735,150	-	-	735,150
Machinery & equipment	305,613	19,510	(18,628)	306,495
Vehicles	141,722	92,401	-	234,123
Infrastructure	9,966,128	80,894	-	10,047,022
Total capital assets, being depreciated	11,148,613	192,805	(18,628)	11,322,790
Less accumulated depreciation for:				
Buildings	(284,560)	(21,909)	-	(306,469)
Machinery & equipment	(248,819)	(12,220)	18,628	(242,411)
Vehicles	(125,757)	(4,621)	-	(130,378)
Infrastructure	(2,668,442)	(504,841)	-	(3,173,283)
Total accumulated depreciation	(3,327,578)	(543,591)	18,628	(3,852,541)
Total capital assets, being depreciated, net	7,821,035	(350,786)	-	7,470,249
Governmental activities capital assets, net	\$ 7,951,035	\$ (350,786)	\$ -	\$ 7,600,249

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 4: Capital Assets (continued)

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

Governmental activities:	
General government	\$ 22,760
Public safety	7,715
Public works	<u>513,116</u>
Total depreciation expense - governmental activities	<u>\$ 543,591</u>

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

Governmental Activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loan Payable - County of Riverside	\$ 153,184	\$ -	\$ 63,000	\$ 90,184	\$ 63,000
RCTC Loan	185,333	-	82,658	102,675	83,413
Compensated Absences	<u>10,442</u>	<u>12,194</u>	<u>3,030</u>	<u>19,606</u>	<u>9,800</u>
Governmental activities long-term liabilities	<u>\$ 348,959</u>	<u>\$ 12,194</u>	<u>\$ 148,688</u>	<u>\$ 212,465</u>	<u>\$ 156,213</u>

Loan Payable - County of Riverside

In June 2003, the City entered into an agreement with the County of Riverside (the County) to obtain a loan for \$1,000,000 to finance the costs of structural repairs to Railroad Canyon Road. The loan is interest free. The loan did not have a set debt service schedule and was due within ten (10) years of the agreement and no later than June 30, 2013. The agreement was amended subsequent to June 30, 2013 and is now due within seven years, and has a set schedule of repayment, and is due no later than October 15, 2019. The City has pledged all of its Proposition 12 and 40 park bond funds, Community Development Block Grant funds, and commencing in fiscal year 2010-2011 Measure A and/or Proposition 42 funds for repayment of the debt. The principal balance as of June 30, 2018 is \$90,184.

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 5: Long-Term Liabilities (continued)

Loan Payable - County of Riverside (continued)

The annual requirements to amortize the outstanding County of Riverside Loan payable as of June 30, 2018 are as follows:

Year Ending June 30,	Loan County of Riverside Principal
2019	\$ 63,000
2020	27,184
Total	\$ 90,184

Loan Payable – Riverside County Transportation Commission

In January 2013, the City entered into an agreement with the Riverside County Transportation Commission (RCTC) to obtain a loan for \$557,000 of Measure A Funds to finance construction costs for Railroad Canyon Road. The Loan bears interest at the rate of .91% per annum. Principal and interest are payable in monthly installments of \$7,000 commencing on January 18, 2013, until paid in full on December 18, 2019. The City has pledged its future Measure A revenues for the repayment of the Loan. The principal balance as of June 30, 2018 is \$102,675.

The annual requirements to amortize the outstanding RCTC Loan payable as of June 30, 2018 are as follows:

Year Ending June 30,	RCTC Loan Payable	
	Principal	Interest
2019	\$ 83,413	\$ 587
2020	19,262	28
Total	\$ 102,675	\$ 615

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 6: Operating Lease

The City leases equipment under a noncancelable operating lease. Total costs for the lease was \$7,332 for the fiscal year ended June 30, 2018. The future minimum annual lease payments for the lease are as follows:

Year Ending June 30,	Total
2019	\$ 7,332
2020	7,332
2021	7,332
2022	2,444
	\$ 24,440

Note 7: Retirement Plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors one miscellaneous plan. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 7: Retirement Plan (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided (continued)

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	6.896%	6.250%
Required employer contribution rates	8.418%	6.533%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2018, were \$38,386. The actual employer payments of \$36,602 made to CalPERS by the City during the measurement period ended June 30, 2017, differed from the City's proportionate share of the employer's contributions of \$48,929 by \$12,327, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 7: Retirement Plan (continued)

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	Miscellaneous
Valuation Date	6/30/2016
Measurement Date	6/30/2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	3.30% to 14.20%
Investment Rate of Return (2)	7.00%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Change of Assumptions

In fiscal year 2017-18, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 7: Retirement Plan (continued)

B. Net Pension Liability (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website, at www.calpers.ca.gov.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 7: Retirement Plan (continued)

B. Net Pension Liability (continued)

Discount Rate (continued)

Asset Class	Allocation	Years 1 - 10 ¹	Years 11+ ²
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100%		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 7: Retirement Plan (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2016 (MD)	\$ 1,451,253	\$ 1,131,672	\$ 319,581
Balance at: 6/30/2017 (MD)	\$ 1,673,729	\$ 1,293,179	\$ 380,550
Net Changes during 2016-17	\$ 222,476	\$ 161,507	\$ 60,969

Valuation Date (VD), Measurement Date (MD).

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the Plan as of the June 30, 2016, and 2017 measurement dates was as follows:

	<u>Miscellaneous</u>
Proportionate Share - June 30, 2016	0.00920%
Proportionate Share - June 30, 2017	0.00965%
Change - Increase (Decrease)	0.00045%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 610,567	\$ 380,550	\$ 189,881

**City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018**

Note 7: Retirement Plan (continued)

C. Proportionate Share of Net Pension Liability (continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 7: Retirement Plan (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2016), the City's net pension liability was \$319,581. For the measurement period ending June 30, 2017 (the measurement date), the City incurred a pension expense/(income) of \$51,941 for the Plan.

As of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 563	\$ (8,066)
Changes of Assumptions	69,841	(5,325)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	15,795	-
Change in Employer's Proportion	13,196	(10,394)
Difference in Actual vs. Projected Contributions	-	(18,762)
Pension Contributions Subsequent to Measurement Date	<u>38,386</u>	<u>-</u>
Total	<u>\$ 137,781</u>	<u>\$ (42,547)</u>

These amounts above are net of outflows and inflow recognized in the 2016-17 measurement period expense. \$38,386 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 3,076
2019	40,193
2020	22,958
2021	(9,379)

E. Payable to the Pension Plan

At June 30, 2018, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 8: Other Postemployment Benefits (OPEB)

The City has established a Retiree Healthcare Plan (HC Plan), and participates in a single-employer defined benefit retiree healthcare plan. The Plan provides post-employment medical insurance to eligible retirees through the California Public Employees Retirement System. State statutes within the Public Employees' Retirement Law establish menus of benefit provisions as well as other requirements and may be amended by CalPERS. The District selected an optional benefit provision specifically for health benefits in compliance with the Public Employees Medical and Hospital Care Act (PEMHCA). A separate financial report is not prepared for the HC Plan.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	6
Inactive employees or beneficiaries currently receiving benefits	1
Total	7

Contributions

The contribution requirements of the Plan are established by the City Council. On February 19, 2014, the City Council adopted Resolution No. 2014-7 to reduce the amount of employer's contribution to the minimum amount under PEMHCA, based upon a formula established by the Public Employees Retirement System, and Resolution No. 2014-8 to confirm the contribution will be for employees with a minimum of 20 years of services to the City. For the fiscal year ended June 30, 2018, the City's required minimum payments amounted to \$4,412 in payment for premiums.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	3.80%	
Inflation	2.75%	
Salary Increases	2.75%	
Mortality Rate		2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover Healthcare Trend Rate		2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees adjusted to reflect a minimum retirement age of 52

Discount Rate

The discount rate used to measure the total OPEB liability was 3.8% percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 8: Other Postemployment Benefits (OPEB), (continued)

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the HC Plan are as follows:

	Total OPEB Liability (a)
Balance at June 30, 2017	
(Rollback balance June 30, 2017)	<u>\$ 112,536</u>
Changes recognized for the measurement period:	
Service Cost	21,629
Interest	4,592
Changes of assumptions	-
Plan experience differences	-
Contributions - employer	-
Net investment income	-
Benefit payments	(4,412)
Administrative expenses	<u>-</u>
Net Changes	<u>21,809</u>
Balance at June 30, 2018	
(Measurement Date June 30, 2018)	<u><u>\$ 134,345</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Total OPEB Liability \$	156,214	\$ 134,345	\$ 116,771

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability \$	117,189	\$ 134,345	\$ 155,106

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 9: Risk Management

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

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

The employment practices liability program provides up to \$1 million per occurrence. The City has selected a \$25,000 self-insured retention for this coverage. Coverage above \$25,000 is with Employment Risk Management Authority (ERMA) to a limit of \$1,000,000, followed by PERMA's membership in CSAC-EIA for \$49 million of excess employment practices liability coverage.

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

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

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

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

The amount of the settlements has not exceeded the above coverage for the past three fiscal years.

Note 10: Commitments and Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would not have a material effect on the City's financial position.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 11: Fund Equity

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

	General Fund	Major Fund Gas Tax Fund	Non-Major Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 1,846	\$ -	\$ -	\$ 1,846
Restricted for:				
Public works	-	534,476	832,551	1,367,027
Public safety	-	-	79,536	79,536
Equipment	-	-	21,673	21,673
Assigned to:				
Self-insured retention	15,000	-	-	15,000
Litigation	25,000	-	-	25,000
Equipment replacement	35,000	-	-	35,000
Unassigned:	4,164,456	-	-	4,164,456
	<u>\$ 4,241,302</u>	<u>\$ 534,476</u>	<u>\$ 933,760</u>	<u>\$ 5,709,538</u>

Note 12: Jointly Governed Organization

The City, in conjunction with 4 other governmental entities, created the Southwest Communities Financing Authority (Authority) on November 30, 2004. The Authority was formed to issue bonds for the construction of an animal shelter to be used by the member agencies. The Authority's board is comprised of one member from each participating entity. The City has the following fiscal obligations: debt repayment of bonds issued, administrative costs and operation of the animal shelter. The debt service payments and the animal shelter operating costs will be prorated to each member based on the percentage of the animals housed at the facility, on an annual basis. The administrative costs will be borne equally by all members. The City incurred costs of \$145,507 for the fiscal year ended June 30, 2018, which included \$66,599 in interest on the bonds issued. To obtain the financial statements for the Authority please contact the Authority at 33751 Mission Trail, Wildomar, CA 92595.

City of Canyon Lake
Notes to the Basic Financial Statements
June 30, 2018

Note 13: Prior Period Adjustment

As discussed in Note 1, the City implemented GASB Statement No. 75 effective July 1, 2017. GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, expense/expenditures for Other Post-Employment Benefits (OPEB). GASB Statement No. 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. Accordingly, beginning Net Position on the Financial Statements has been restated for changes related to GASB 75 as follows:

Beginning net position, as previously reported	\$ 13,071,908
Restatement due to change in accounting principle	<u>(112,536)</u>
Beginning net position, as restated	<u>\$ 12,959,372</u>

REQUIRED SUPPLEMENTARY INFORMATION

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City of Canyon Lake
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,350,800	\$ 4,423,060	\$ 4,510,375	\$ 87,315
Licenses and permits	281,500	281,500	383,917	102,417
Fines and forfeitures	15,000	15,000	22,128	7,128
Intergovernmental	41,800	50,403	74,699	24,296
Use of money and property	70,200	70,200	39,965	(30,235)
Other	25,000	25,000	59,765	34,765
Total revenues	4,784,300	4,865,163	5,090,849	225,686
EXPENDITURES				
Current:				
General government	821,742	898,067	913,615	(15,548)
Public safety	3,508,908	3,515,811	3,472,604	43,207
Public works	131,698	177,198	170,249	6,949
Community development	197,600	197,600	234,590	(36,990)
Capital outlay	60,900	60,900	51,833	9,067
Total expenditures	4,720,848	4,849,576	4,842,891	6,685
Net change in fund balance	63,452	15,587	247,958	232,371
Fund balance, beginning of year	3,993,344	3,993,344	3,993,344	-
Fund balance, end of year	\$ 4,056,796	\$ 4,008,931	\$ 4,241,302	\$ 232,371

**City of Canyon Lake
Required Supplementary Information
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 291,700	\$ 310,300	\$ 317,885	\$ 7,585
Use of money and property	1,000	1,000	(805)	(1,805)
Total revenues	<u>292,700</u>	<u>311,300</u>	<u>317,080</u>	<u>5,780</u>
EXPENDITURES				
Current:				
Public works	766,500	782,100	530,009	252,091
Capital Outlay	-	-	80,894	(80,894)
Total expenditures	<u>766,500</u>	<u>782,100</u>	<u>610,903</u>	<u>171,197</u>
Net change in fund balance	(473,800)	(470,800)	(293,823)	176,977
Fund balance, beginning of year	<u>828,299</u>	<u>828,299</u>	<u>828,299</u>	<u>-</u>
Fund balance, end of year	<u>\$ 354,499</u>	<u>\$ 357,499</u>	<u>\$ 534,476</u>	<u>\$ 176,977</u>

**City of Canyon Lake
 Required Supplementary Information
 Schedule of the Local Government's Proportionate Share of the
 Plan's Net Pension Liability and Related Ratios as of the Measurement Date
 Last 10 Years*
 For the Year Ended June 30, 2018**

	Measurement Date 6/30/2014	Measurement Date 6/30/2015	Measurement Date 6/30/2016	Measurement Date 6/30/2017
Employer's Proportion of the Collective Net Pension Liability ¹	0.00375%	0.00832%	0.00920%	0.00965%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 233,356	\$ 228,126	\$ 319,581	\$ 380,550
Employer's Covered Payroll	\$ 97,906	\$ 241,941	\$ 257,514	\$ 408,132
Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll	238.35%	94.29%	124.10%	93.24%
Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	82.11%	82.84%	77.98%	77.26%

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Changes in Assumptions: In 2015, there were no changes. In 2016, the discount rate was changed from 7.5 percent (net of administration expenses) to 7.65 percent. In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

**City of Canyon Lake
Required Supplementary Information
Schedule of Plan Contributions
Last 10 Years*
For the Year Ended June 30, 2018**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
Actuarially Determined Contribution	\$ 21,700	\$ 28,593	\$ 36,602	\$ 38,386
Contributions in Relation to the Actuarially Determined Contribution	<u>(21,700)</u>	<u>(28,593)</u>	<u>(36,602)</u>	<u>(38,386)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 241,941	\$ 257,514	\$ 408,132	\$ 367,763
Contributions as a Percentage of Covered Payroll	8.97%	11.10%	8.97%	10.44%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of Canyon Lake
 Required Supplementary Information
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 as of the Measurement Date
 Last 10 Years*
 For the Year Ended June 30, 2018**

Measurement Period	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 21,629
Interest on the Total OPEB Liability	4,592
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	<u>(4,412)</u>
Net change in Total OPEB Liability	21,809
Total OPEB Liability - beginning	<u>112,536</u>
Total OPEB Liability - ending (a)	<u><u>\$ 134,345</u></u>
Total OPEB Liability - ending (a)	\$ 134,345
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 300,891
Total OPEB liability as a percentage of covered employee payroll	44.65%

Notes to schedule:

The following assumptions were changed from the prior valuation:

None.

* Fiscal Year 2017-18 was the first year of implementation.

**City of Canyon Lake
 Required Supplementary Information
 Schedule of OPEB Plan Contributions
 Last 10 Years*
 For the Year Ended June 30, 2018**

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2018
Contractually or Statutorily Determined Contributions (C/S DC)	\$ 4,412
Contributions in relation to the C/S DC	(4,412)
Contribution deficiency/(excess)	\$ -
Covered employee payroll	\$ 300,891
Contribution as a percentage of covered payroll	1.47%

Notes to schedule:
 None

Methods and assumptions used to determine contributions:
 N/A

* Fiscal Year 2017-18 was the first year of implementation.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

AQMD – This fund is used to account for the receipt of AB 2766 funds to implement programs that reduce air pollution from motor vehicles. Local Governments receive forty percent of the motor vehicle registration fee surcharge of \$4 per vehicle collected by the Department of Motor Vehicles.

Law Enforcement Grants – This fund is used to account for the *Supplemental Law Enforcement Grant* funds used for front line law enforcement services, and for the *California Law Enforcement Equipment Program* for the purchase of equipment to assist law enforcement to prevent and reduce crime.

Miscellaneous Grants – This fund is used to account for specific revenue resources that are restricted or committed to expenditure for specific purposes other than capital projects.

Capital Projects Fund

Capital Projects – This fund accounts for City-wide capital improvement projects.

**City of Canyon Lake
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds			
	Measure A	AQMD	Law Enforcement Grants	Miscellaneous Grants
ASSETS				
Cash and investments	\$ 346,130	\$ 76,881	\$ 54,536	\$ 21,673
Receivables:				
Intergovernmental	15,727	3,586	25,000	-
Total assets	<u>\$ 361,857</u>	<u>\$ 80,467</u>	<u>\$ 79,536</u>	<u>\$ 21,673</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public works	361,857	80,467	-	-
Public safety	-	-	79,536	-
Equipment	-	-	-	21,673
Total fund balances	<u>361,857</u>	<u>80,467</u>	<u>79,536</u>	<u>21,673</u>
Total liabilities and fund balances	<u>\$ 361,857</u>	<u>\$ 80,467</u>	<u>\$ 79,536</u>	<u>\$ 21,673</u>

<u>Capital Projects Fund</u>	<u>Total Non-major Governmental Funds</u>
<u>Capital Projects</u>	
\$ 376,281	\$ 875,501
<u>13,946</u>	<u>58,259</u>
<u>\$ 390,227</u>	<u>\$ 933,760</u>

<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>

390,227	832,551
-	79,536
<u>-</u>	<u>21,673</u>
<u>390,227</u>	<u>933,760</u>
<u>\$ 390,227</u>	<u>\$ 933,760</u>

City of Canyon Lake
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds			
	Measure A	AQMD	Law Enforcement Grants	Miscellaneous Grants
REVENUES				
Intergovernmental	\$ 184,294	\$ 12,695	\$ 139,416	\$ -
Use of money and property	(354)	(107)	-	-
Total revenues	<u>183,940</u>	<u>12,588</u>	<u>139,416</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	-	-	129,000	-
Capital Outlay	-	46,132	-	-
Debt service:				
Principal	145,658	-	-	-
Interest and fiscal charges	1,343	-	-	-
Total expenditures	<u>147,001</u>	<u>46,132</u>	<u>129,000</u>	<u>-</u>
Net change in fund balances	36,939	(33,544)	10,416	-
Fund balances, beginning of year	<u>324,918</u>	<u>114,011</u>	<u>69,120</u>	<u>21,673</u>
Fund balances, end of year	<u>\$ 361,857</u>	<u>\$ 80,467</u>	<u>\$ 79,536</u>	<u>\$ 21,673</u>

Capital Projects Fund	Total Non-major Governmental Funds
\$ 13,946	\$ 350,351
-	(461)
<u>13,946</u>	<u>349,890</u>
-	129,000
13,946	60,078
-	145,658
-	1,343
<u>13,946</u>	<u>336,079</u>
-	13,811
<u>390,227</u>	<u>919,949</u>
<u>\$ 390,227</u>	<u>\$ 933,760</u>

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**City of Canyon Lake
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2018**

Agency Fund	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
ASSETS				
Cash and investments	\$ 4,037	\$ 1,352,477	\$ 1,356,514	\$ -
Due from other governments	<u>33,228</u>	<u>48,109</u>	<u>33,228</u>	<u>48,109</u>
Total assets	<u>\$ 37,265</u>	<u>\$ 1,400,586</u>	<u>\$ 1,389,742</u>	<u>\$ 48,109</u>
LIABILITIES				
Deposits	<u>\$ 37,265</u>	<u>\$ 1,400,586</u>	<u>\$ 1,389,742</u>	<u>\$ 48,109</u>
Total liabilities	<u>\$ 37,265</u>	<u>\$ 1,400,586</u>	<u>\$ 1,389,742</u>	<u>\$ 48,109</u>

ATTACHMENT 2



January 28, 2019

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Canyon Lake, California (the City) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 13, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2017-2018. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1, the City changed its accounting policies related to other postemployment benefits other than pension reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions in fiscal year 2017-2018*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the proprietary funds statement of revenues, expenses and changes in net position.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements was:

Management's estimates of its net pension liability and total other postemployment benefits liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and total other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.





CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 28, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management discussion and analysis, budgetary comparison schedule for the General Fund and Gas Tax Fund, the schedule of proportionate share of the net pension liability, the schedule of pension plan contributions, the schedule of changes in total OPEB liability and related ratios, and the OPEB schedule of employer contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

We were engaged to report on the combining nonmajor fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2017-2018 audit:

GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.*

GASB Statement No. 81, *Irrevocable Split Interest Agreements.*

GASB Statement No. 85, *Omnibus 2017.*

GASB Statement No. 86, *Certain Debt Extinguishment Issues.*

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2018-2019

GASB Statement No. 83, *Certain Assets Retirement Obligations.*

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.*

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities.*

Fiscal year 2020-2021

GASB Statement No. 87, *Leases.*

Restriction on Use

This information is intended solely for the use of City Council and management of Canyon Lake, California and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California

ATTACHMENT 3



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Canyon Lake, California (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Canyon Lake, California

Purpose of this Report


The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California
January 28, 2019

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike A. Borja, Acting City Manager 

DATE: March 6, 2019

SUBJECT: Adoption of Chapter 8.40 Ordinance: Establishing and Providing a Commercial, Industrial and Multi-Family Rental Life/Safety Building and Occupancy Inspection Program

Recommendation

That the City Council adopt Chapter 8.40 ordinance to establish a commercial, industrial and multi-family rental Life/Safety inspection program, as part of the City of Canyon Lake's compliance with state law and best practices towards life/safety inspections.

Background

Recent incidents in other cities without a Life/Safety inspection program has resulted in property damage, personal injuries, and loss of life in places of assembly. The City of Canyon Lake is concerned with the public safety of its citizens and visitors and is looking to address these concerns by implementing such a Life/Safety inspection program.

The purpose of such Life/Safety inspections is to check commercial and industrial occupancies, places of assembly, hotels, motels, schools, and congregate facilities including group homes and multi-family rental housing, as defined in the ordinance, for compliance with applicable California and local laws and regulations. These inspections will require owners and operators of these types of structures to maintain these units in accordance with applicable housing, building and property maintenance standards as adopted by the City. In addition, the ordinance also helps to designate a Safety Specialist to provide such inspections for the City.

Fiscal Impact

There is no fiscal impact to the city's General Fund. The program is cost neutral, but with the intent of establishing a fee schedule for these inspections soon.

Attachments

1. Ordinance No. 180

ATTACHMENT 1

ORDINANCE NO. 180

AN ORDINANCE OF THE CITY OF CANYON LAKE ADDING CHAPTER 8.40 ESTABLISHING AND PROVIDING FOR A COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY RENTAL LIFE/SAFETY BUILDING AND OCCUPANCY INSPECTION PROGRAM AND PROVIDING A FEE THEREFORE

Section 1. Purpose. The City Council of the City of Canyon Lake finds as follows:

- A. Recent incidents in other cities without such a Commercial, Industrial and Multi-family Rental life/safety inspection program have resulted in property damage, personal injuries, and loss of life in places of assembly as well as multi-family rental housing units.
- B. The City is concerned with the public safety of its citizens and visitors and wishes to address these concerns by implementing such a Life/safety inspection program.
- ~~C.~~ The Commercial, Industrial and Multi-family Rental Life/Safety inspection program is the initial part of the City of Canyon Lake’s compliance with state law and best practices to provide life/safety inspections.
- D. The purpose of such life/safety inspections is to check commercial and industrial occupancies, places of assembly, hotels, motels, schools, and congregate facilities including group homes and multi-family rental housing, as defined below, for compliance with applicable California and local laws and regulations.
- E. An inspection will require owners and operators of these types of structures to maintain these units in accordance with applicable housing, building and property maintenance standards as adopted by the City.
- F. The further purpose of this ordinance is to designate a Safety Specialist to provide such inspections.

Section 2. Chapter 8.40 is added to the Canyon Lake Municipal Code to read as follows:

Chapter 8.40

LIFE/SAFETY INSPECTIONS FOR COMMERCIAL, INDUSTRIAL OCCUPANCIES, PLACES OF ASSEMBLY AND RESIDENTIAL MULTI-FAMILY UNITS

Section

- 8.40.010 Definitions.
- 8.40.020 Scope.

- 8.40.030 Annual Inspections Required.
- 8.40.040 Other inspection
- 8.40.050 Enforcement.

Section 8.40.010 – Definitions

The following words shall have the meanings set out when used in this Chapter.

- A. "City" means the City of Canyon Lake.
- B. "Commercial Occupancy" means and includes, but is not limited to, Places of Assembly, stores and businesses, hotels, motels, schools, restaurants and bars open to residents of the City and their invitees or to the public.
- C. "Industrial Occupancy" means and includes the storage of material, manufacture, production, processing, storage, use and sale of products and or goods.
- D. "Multi-family Rental Housing Unit" or "Unit" means any residential dwelling unit, whether within a single structure or in a group of attached or detached structures containing three or more such dwellings. For the purpose of this Chapter, mobile home parks are not considered multi-family rental housing units:
- E. "Occupant" means any person who occupies a unit, whether as an Owner or tenant or permittee of the Owner and includes both multi-family residential and commercial owners, tenants and lessees.
- F. "Owner" means a single individual or entity that has any kind of ownership interest whether as an individual, partner, joint venturer, stock owner, or in some other capacity but does not include interests in common areas.
- G. "Person" means the individual, partnership, corporation or association or the rental agent of any of the foregoing.
- H. "Place of Assembly" means the gathering together of 50 or more persons for such purposes as deliberation, education, instruction, worship, entertainment, amusement, drinking, dining, or awaiting transportation, and shall specifically include Property Owners' Association facilities open to residents and their guests, such as Bluebird Hall, the Lodge and recreational facilities.
- I. "Safety Specialist" means that trained person(s) designated by the Chief Building Official to carry out the provisions of this ordinance, and includes

but is not limited to code enforcement and special enforcement officers.

Section 8.40.020 - Scope

The provisions of this Chapter shall apply to all new and existing commercial, industrial, and multi-family housing units containing three or more units. The provisions of this Chapter do not apply to single-family residences or duplexes.

Section 8.40.030 - Annual Inspection Required

- A. Pursuant to California Health and Safety Code Section 13143.5 and the City's police power, any and all commercial or industrial occupancies, Places of Assembly, hotels, motels, schools, or congregate facilities including group homes and Multi-family Residential Housing Units shall be subject to an annual inspection of the interior and exterior by the Safety Specialist for compliance with applicable sections of state and local codes relating to building requirements and specifically life/safety requirements.
- B. The Safety Specialist personally shall deliver, mail or email written notice to the Owner(s) of property to be inspected at least two (2) calendar weeks before the scheduled annual inspection. The Owner(s) shall give written notice to all tenants or occupants at least one week before the scheduled annual inspection.
- C. The Owner(s) shall pay a fee to the City set by Resolution of the City Council, in an amount equal to the reasonable costs (plus direct and indirect overhead) for the Safety Specialist's annual inspection. No fee shall be charged if the inspection is not performed.
- D. Any Owner(s) who fails to permit the annual inspection by the Safety Specialist pursuant to this Chapter shall be guilty of an infraction or misdemeanor punishable in accordance with City Municipal Code Chapter 1 and the uninspected property may be determined to constitute a public nuisance, or pursuant to Section 8.40.050 below.
- E. If any Owner(s) fails to pay the fee charged for the costs of the Safety Specialist's annual inspection pursuant to this Chapter, the City may collect such debt in the same manner as for a contractual debt to the City and may suspend the Owner's business license until such debt is paid.

8.40.040 Other Inspection

Upon receipt of a verified complaint or observation of a potential violation of applicable sections of state and local codes relating to building requirements and specifically life/safety requirements, the Safety Specialist may notify the Owner of such possible lack of compliance and schedule an inspection as set out in 8.40.030 (B) above. In the event of

an immediate threat to life/safety, the Safety Specialist may inspect the property immediately, without notice, subject to the provisions of applicable law.

8.40.050 Enforcement: Administrative Citation; Nuisance

- A. Where the Safety Specialist’s inspection (annual or otherwise) pursuant to this Chapter identifies a violation(s) of state or local codes relating to housing, building, or property maintenance, unless there is an immediate threat to life/safety, the Safety Specialist first shall issue a written warning and notice to correct to the Owner.
- B. Failure to correct the violation within the time frame provided may result in the issuance of an administrative citation or City’s exercise of any other available remedies.
- C. The enforcement of this Chapter by a criminal, civil or administrative action shall not relieve the Owner of his, her or its obligations under this Chapter.

Section 3. Effective Date: This ordinance shall be effective 30 days from the date of its adoption.

Section 4. Severability

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Code are severable, and if any phrase, clause, sentence, paragraph or section of this Code shall be declared unconstitutional by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Code.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2019 by the following vote:

Larry Greene, Mayor

Attest:

Approved as to form:

Ana V. Sauseda,
Deputy City Clerk

Elizabeth L. Martyn,
City Attorney