



CITY OF CANYON LAKE

City Hall

31516 Railroad Canyon Road
Canyon Lake, CA 92587

www.canyonlakeca.gov

Mayor Jeremy Smith
Mayor Pro Tem Dale Welty
Council Member Kasey Castillo
Council Member Jennifer Dain
Council Member Mark Terry

City Manager Nicole Dailey
City Attorney Steven Graham
City Clerk Sheryl Garcia

AGENDA

Regular Meeting of the Canyon Lake City Council
Wednesday, September 13, 2023

Closed Session 4:30 P.M. – City Hall Administration Office – 31526 Railroad Canyon Road, Suite 5
Open Session 6:30 P.M. – City Hall Council Chamber – 31516 Railroad Canyon Road

CLOSED SESSION

CLOSED SESSION CALLED TO ORDER

ROLL CALL

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.

Members of the public may submit comments electronically by sending an email to cityclerk@canyonlakeca.gov. Comments submitted electronically will be provided to the City Council and included in the official record but will not be read aloud during the meeting.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to paragraph (1) of subdivision (d) of Section 54956.9: Richard Beck v. City of Canyon Lake, et al. Riverside Superior Court Case No. CVRI2202608
2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Section 54957: Title: City Manager

OPEN SESSION

OPEN SESSION CALLED TO ORDER

INVOCATION

FLAG SALUTE

ROLL CALL

CLOSED SESSION REPORT

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

Citizen of the Month

COMMUNITY REPORTS

LIMIT 3 MINUTES

Elsinore Valley Municipal Water District
Canyon Lake Property Owners Association
Canyon Lake Chamber of Commerce

PUBLIC SAFETY UPDATES

City of Canyon Lake Code Enforcement
Riverside County Sheriff's Department
City of Canyon Lake Fire Department

PUBLIC COMMENT

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COMMITTEE AND COUNCIL REPORTS/COMMENTS

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) **Approve Claims and Demands of the City**

Recommendation: Adopt Resolution No. 2023-31 and 2023-32 Approving Claims and Demands of the City.

(3) **Approval of City Council Minutes**

Recommendation: Approve the Minutes of the City Council meeting of July 12, 2023.

(4) **Report of Expenditure of American Rescue Plan Act Funds**

Recommendation: Receive and file.

(5) **Adopt a Resolution Authorizing Submittal of Application(s) for All CalRecycle Grants for which the City of Canyon Lake is Eligible**

Recommendation: Adopt Resolution No. 2023-33 authorizing submittal of application(s) for all CalRecycle grants for which the City is eligible and designate the City Manager signing authority for all related CalRecycle documents.

(6) **Adoption of an Environmentally Preferable Purchasing and Practices (EPPP) Policy**

Recommendation: Adopt Resolution 2023-34 Adopting An Environmentally Preferable Purchasing and Practices (EPPP) Policy.

PULLED CONSENT CALENDAR ITEMS

PUBLIC HEARINGS - None

BUSINESS ITEMS

(7) **Approval of Joinder Application and Agreement with the Peace Officers Research Association of California (PORAC) to Establish a Retiree Medical Trust Medical Expense Reimbursement Plan for the Canyon Lake Firefighters Association**

Recommendation: Approve and authorize the City Manager to execute a Joinder Application and Agreement with the Peace Officers Research Association of California (PORAC) to Establish a Retiree Medical Trust Medical Expense Reimbursement Plan for the Canyon Lake Firefighters Association.

- (8) **Approve the Second Amendment to the Professional Services Agreement with Rincon Consultants, Inc. for 6th Cycle Housing Element Consulting Services in the amount of \$40,566**

Recommendation: Approve and authorize the City Manager to execute a Second Amendment to the Professional Services Agreement with Rincon Consultants, Inc. for 6th Cycle Housing Element Consulting Services in an amount not to exceed \$40,566

- (9) **Consideration and Approval of an Updated City Investment Policy**

Recommendation: Approve the updated City Investment Policy.

- (10) **Adopt a Resolution Approving an Interfund Loan Agreement between the Rental Fund and the General Fund**

Recommendation: Adopt Resolution No. 2023-35, approving an Interfund Loan Agreement between the Rental Fund and the General Fund.

CITY MANAGER COMMENTS

ANNOUNCEMENTS

The next regular City Council meeting will be held on Wednesday, October 11, 2023.

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.canyonlakeca.gov once the agenda has been publicly posted. Any written material relating to an item on this agenda submitted to the City Council after distribution of the agenda packet will be 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 the City Clerk's office 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.

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

I, Sheryl L. Garcia, City Clerk of the City of Canyon Lake, California, do hereby declare that the foregoing agenda was posted on September 7, 2023, at least seventy-two (72) hours prior to the meeting per Government Code 54954.2, and as required by Resolution 2019-42 of the Canyon Lake City Council.

Sheryl L. Garcia, MMC, CPM
City Clerk



ITEM NO. 2

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Elizabeth Luna, Executive Assistant and Accounting Technician I

DATE: September 13, 2023

SUBJECT: Approve Claims and Demands of the City

Recommendation

Adopt Resolution No. 2023-31 and 2023-32 Approving Claims and Demands of the City.

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 from July and August 2023 represent the paid claims and demands since the last City Council meeting on July 12, 2023.

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. 2023-31 and Resolution No. 2023-32

RESOLUTION NO. 2023-31

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

WHEREAS, the Finance & Planning Committee of the City of Canyon Lake reviewed Exhibit A at their regularly scheduled meeting on September 13, 2023; and

WHEREAS, Exhibit A was presented at the regular meeting of the City Council on September 13, 2023, at which all present, were given an opportunity to comment.

NOW, THEREFORE, 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 September 13th, in the amount of \$1,231,136.00 as follows:

| | | |
|------------------------------------|------------------------|---------------------------------------|
| Payroll Earnings (Gross) | \$ 138,084.06 | (For Month of July) |
| Payroll Processing Fees | \$ 234.15 | (For Month of July) |
| Payroll Taxes - Employer | 2,798.47 | (For Month of July) |
| On-line Retirement | 16,271.33 | (For Month of July) |
| PARS | 13,910.45 | (2nd Half of June & 1st Half of July) |
| On-line Health | 22,896.51 | (For Month of July) |
| FY23/24 Unfunded Accrued Liability | 36,115.00 | (For Month of July) |
| Principal | 372.36 | (For Month of August) |
| Aflac | 682.18 | (For Month of July) |
| Nationwide Deferred Comp. | 6,844.60 | (For Month of July) |
| Citizens Business Bank Interest | 1,949.05 | (For the Month of June) |
| General | \$ 990,977.84 | |
| TOTAL | <u>\$ 1,231,136.00</u> | |

PASSED, APPROVED AND ADOPTED this 13th day of September, 2023.

Jeremy Smith, Mayor

ATTEST:

Sheryl L. Garcia, MMC, CPM
City Clerk

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

| <u>Vendor ID</u> | <u>Invoice Description</u> | <u>Cash Required</u> |
|-------------------|--|----------------------|
| Mindy LaTendresse | Final Regular Paycheck 7/1/23 to 7/15/23 | 343.46 |
| | Final Vacation Cash Out Paycheck | 905.36 |
| Report Total | | <u>1,248.82</u> |

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

| Vendor ID | Invoice Description | Cash Required |
|--------------------------|--|---------------|
| AB Fence | Repaired Damaged Worught Iron Fence on RRCCR | 1,500.00 |
| Amazon | Fire Station Supplies | 274.35 |
| | Fire Station Office Supplies | 10.76 |
| | Fire Station Office Supplies | 460.44 |
| ANIMAL FRIENDS | Animal Control Services Month of June 2023 | 3,500.00 |
| Bankcard | See Credit Card Review 7235 | 767.76 |
| | See Credit Card Review 0041 | 4,914.70 |
| | See Credit Card Review 0041 | 27.18 |
| | See Credit Card Review 0058 | 531.33 |
| | See Credit Card Review 0776 | 18.00 |
| | See Credit Card Review 0066 | 247.96 |
| | See Credit Card Review 7227 | 1,650.48 |
| Bill Blankenship | Economic Development Consulting June 2023 | 3,330.00 |
| Bound Tree | Fire Station Medical Supplies | 12.72 |
| Brown, J | Reserve Stipend For June 2023 | 200.00 |
| CL PEST | Bi-Monthly Pest Control for Admin | 60.00 |
| Cole Huber | Attorney Services/General April 2023 | 8,510.00 |
| | Attorney Services/Code Enforcement April 2023 | 180.00 |
| | Attorney Services/Beck v. City (UUT) April 2023 | 313.70 |
| Concentra | Reserve Medical Exam-Longobardo | 445.00 |
| Control Pump | Landscape Booster for June 2023 | 375.00 |
| Cotter Construction Inc. | Cleared all Drains at Fire Station | 1,500.00 |
| CPS | HR Consulting Services 4/30/23 to 5/27/23 | 286.25 |
| CTAI | Landscape for Fire Station June 2023 | 250.00 |
| | Landscape Maintenance Fee for Medians & Parkways May 2023 | 4,775.00 |
| | Landscape Maintenance Fee for Medians & Parkways June 2023 | 4,775.00 |
| DOJ | Blood Analysis May 2023 | 35.00 |
| Fire ETC | Fire Station Engine 201 Equipment | 5,650.92 |
| GAS CO | Gas Charges for 31520 Railroad Cyn Rd 5/30/23 - 6/28/23 | 14.86 |
| HINDERLITER | Contract Services-Sales Tax (April-June 2023) Audit Services | 1,306.90 |
| Jake Stouffer | Reserve Stipend for June 2023 | 100.00 |
| John Hancock | EE & ER Contributions for Semi-Monthly Check Date 6/30/23 | 1,284.88 |
| | EE & ER Contributions for Bi-Weekly Check Date 6/23/23 | 3,638.66 |
| Koopman | Reserve Stipend for June 2023 | 100.00 |
| Life-Assist | Fire Station Medical Supplies | 184.59 |
| Longobardo | Reserve Stipend for June 2023 | 150.00 |
| Luksch | Reserve Sitpend for June 2023 | 150.00 |
| MR. WINDOW | Window Cleaning Inside & Out (June 5, 2023) | 185.00 |

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Page: 1

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

| Vendor ID | Invoice Description | Cash Required |
|--------------------------------------|---|---------------|
| | Window Cleaning Inside & Out (June 5, 2023) | 210.00 |
| Neil Safai | Plot Planning Deposit Refund for 23180 Continental Dr | 821.00 |
| PETTY CASH | Petty Cash Reimbursement, 6/30/23 | 47.37 |
| Riv Co Fire | Dispatch Services Qtr 3 FY 22/23 | 30,920.14 |
| Riv Co Sheriff Dept Lake Elsinore | Sheriff's Contract Law 4/06/23-5/03/23 | 153,791.75 |
| Riv Co Sheriff DTS | SH-Communicate RMS/CLETS Services 7/1/22 - 6/30/23 | 11,214.00 |
| RivCo Fire Chiefs Asso | Riverside County Fire Chiefs Association Membership | 300.00 |
| SanchezJ | Reserve Sitpend for June 2023 | 150.00 |
| Sean Rivello | Reserve Sitpend for June 2023 | 100.00 |
| STAPLES | Office Supplies for City Hall & Admin | 550.05 |
| Time Warner | Digital Converter for City Hall 6/22/23 - 7/21/23 | 5.54 |
| | Internet for Fire Station 6/10/23 - 7/09/23 | 306.81 |
| Toshiba Business Solutions, USA | Admin B/W & Color Copies 5/26/23 - 6/25/23 | 200.51 |
| | Fire Station B/W & Color Copies for 5/25/23-6/24/23 | 62.37 |
| TRI LAKE | CL-001 General Engineering Services 3/1/23 - 3/31/23 | 9,860.00 |
| | CL-001 General Engineering Services 5/1/23 - 5/31/23 | 6,947.50 |
| Turnout Maintenance Company | Fire Station Turnout Repairs | 295.00 |
| Willdan | Water Quality Services thru 5/26/23 | 6,003.00 |
| Zach Michel | Reserve Stipend for June 2023 | 100.00 |
| Report Total | | 273,601.48 |

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

| Vendor ID | Invoice Description | Cash Required |
|------------------------------|--|---------------|
| ABILA | Accounting Software 8/1/23 - 8/31/23 | 205.70 |
| All State Propane | Fire Station Tank Rental | 150.82 |
| Amazon | Fire Station Supplies | 15.07 |
| Dain | Auto Allowance July 2023-Dain | 100.00 |
| Jeremy Smith | Auto Allowance July 2023-Smith | 100.00 |
| John Hancock | EE & ER Contributions Bi-Weekly Check Date 7/7/23 | 3,638.66 |
| Kasey Castillo | Auto Allowance July 2023-Castillo | 100.00 |
| Kings III of America, LLC | Elevator Phone 7/01/2023-9/30/2023 | 153.18 |
| Mark Terry | Auto Allowance July 2023-Terry | 100.00 |
| Riv Co Auditor | LAFCO Fees for FY24 | 935.34 |
| SDRMA | Dental & Vision Insurance August 2023 | 1,920.05 |
| Syntech | Advanced Security License and Support 7/31/23-7/31/26 | 1,225.62 |
| Welty | Auto Allowance July 2023-Welty | 100.00 |
| Report Total | | 8,744.44 |

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

| <u>Vendor ID</u> | <u>Invoice Description</u> | <u>Cash Required</u> |
|------------------|--|------------------------|
| Fast Signs | Final Payment for Sign and Road Repair | <u>7,716.42</u> |
| Report Total | | <u><u>7,716.42</u></u> |

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

| Vendor ID | Invoice Description | Cash Required |
|-----------------------------------|--|---------------|
| ABI | Fire Station Background Check for K. Brown | 74.50 |
| All State Propane | Propane for Fire Station | 218.71 |
| BIO-TOX | Blood Analysis-5/11/23 | 51.55 |
| CA Dept of Tax and Fee Admin | Diesel Fuel # 245-963712 Period Ending 6/30/23 | 99.00 |
| CBSC | Permit Valuation April through June 2023 | 381.60 |
| CL CHAMBER | Corporate Sponsorship | 5,000.00 |
| Corelogic | Database for Code Enforcement June 2023 | 144.90 |
| CTAI | Landscape for Fire Station May 2023 | 250.00 |
| | Tree Trimming on RRCR (3/20/2023) | 650.00 |
| Curtis | Fire Station Gloves for Structure PPE | 134.30 |
| DATA TICKET | Monthly Parking Fee for June 2023 | 100.00 |
| | Monthly EMS Response Fee June 2023 | 100.00 |
| | Code Enforcement Citation Processing June 2023 | 100.00 |
| DEPT OF CONSER | Strong Motion Instrumentation and Seismic Hazard Apr-June 23 | 1,008.06 |
| DOJ | Fingerprints for June 2023 | 64.00 |
| Edward Thomas | Plot Planning Deposit Refund for 30480 Caliente Place | 1,071.00 |
| Fast Signs | Menifee Permit Fee for Sign and Road Repair | 566.55 |
| Fire Smart | Fire Station 2023 National Night Out Swag Items | 897.56 |
| GOLDING | Restaurant Week - Table Toppers and Flyers for Chamber | 143.85 |
| | Restaurant Week-Table Toppers and Flyers for Chamber | 37.07 |
| Holt Architecture | BIM Scanning-City Hall and Council Chambers | 15,065.00 |
| Jacob Green & Associates | Law Enforcement Services Study | 13,830.00 |
| Lawrence | Repair to Rear Fire Station Security Gate | 609.23 |
| | Repair to Fire Station Doors | 3,626.05 |
| | New Fire Station Raynor Insulated Sectional Doors | 53,998.29 |
| LEW Edwards | Professional Services June 2023 | 6,000.00 |
| MuniServices | Utility User Tax-April 2023 to June 2023 | 2,500.00 |
| PARS | Monthly Administrative Fee Ending May 2023 | 400.00 |
| Pitney Bowes - Purchase Power | Meter Refill 6/21/2023 | 400.00 |
| PVM | Radar Speed Sign Maintenance 6/1/23-6/30/23 | 476.34 |
| | Street and Facility Maintenance 6/1/23-6/30/23 | 4,685.92 |
| PZL, Inc. | Planning Services for June 2023 | 5,460.00 |
| RAMS | Accounting Services for June 2023 | 5,182.00 |
| RCA | MSHCP Fees Collected for June 2023 | 3,947.00 |
| Rincon | Canyon Lake Housing Element | 4,879.00 |
| Riv Co Sheriff Dept Lake Elsinore | Sheriff's Contract Law 5/4/23 - 5/31/23 | 152,958.00 |

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Page: 1

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

| Vendor ID | Invoice Description | Cash Required |
|------------------------------------|--|---------------|
| | Sheriff's Extra Duty Memorial Park Hopper 5/26/23-5/29/23 | 5,400.21 |
| Round Up | City Vehicles Fuel (4/1/23-6/30/23) | 1,117.80 |
| SUN BADGE | Fire Station Uniform Badges for Captain & Firefighter | 148.92 |
| The Code | Staffing Services for April 2, 2023 trough April 29, 2023 | 8,492.00 |
| | Plan Check Services April 2, 2023 through April 29, 2023 | 16,596.89 |
| Toshiba Business Solutions, USA | Fire Station B/W & Color Copies 6/25/23-7/24/23 | 68.00 |
| | Admin B/W & Color Copies 6/26/23-7/25/23 | 173.82 |
| TRI LAKE | CL-001 General Engineering Services 6/1/23-6/30/23 | 7,791.25 |
| | CL-002 Railroad Canyon Road Project 6/1/23-6/30/23 | 6,239.65 |
| ULINE | Final Payment for Vial of Life Envelopes | 880.74 |
| US Bank | See Credit Card Review | 2,754.52 |
| Willdan | Water Quality Services thru 6/30/23 | 4,838.50 |
| Wolcott | EMS Responder Fee Refund | 1,483.00 |
| ZF | Medical Director Services for April to June 2023 | 600.00 |
| Report Total | | 341,694.78 |

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

| Vendor ID | Invoice Description | Cash Required |
|---------------------|--|---------------|
| Air Force 1 | AC Replacement for Fire Station - 7/22/23 | 8,800.00 |
| Amazon | Fire Station Equipment for Engines: Bolt Screws | 10.76 |
| | Fire Station Equipment:Cord Reel, Hooks, Toggle Pilot Light | 188.10 |
| | Fire Station Equipment | 204.71 |
| | Amazon Membership | 542.66 |
| | Fire Station Supplies | 15.07 |
| AMP | Rent for August 2023-31526 Railroad Canyon Rd. Ste. 4 | 430.00 |
| | Rent for August 2023-31526 Railroad Canyon Rd. Ste. 5 | 2,834.00 |
| Champion Trophy | Fire Station Plaques for Open House | 24.57 |
| CL PEST | Quarterly Pest Control for City Hall | 105.00 |
| CLIMB_IT | Rock Wall for National Night Out- August 1, 2023 | 600.00 |
| CR&R | Trash Services for Rental Bldg. July 2023 | 201.12 |
| CTAI | Landscape Maintenance Fee for Medians & Parkway July 2023 | 4,775.00 |
| | Landscape for Fire Station July 2023 | 250.00 |
| Delgado | Janitorial Services for July 2023 | 1,180.50 |
| | Janitorial Services for July 2023 | 59.00 |
| ETE Fitness | Fire Station Exercise Equipment | 6,429.49 |
| GREENHALGH | Retiree Health Insurance August 2023 | 148.68 |
| ImageTrend, Inc. | Annual Fee Upgrade EMS NFIRS to Rescue | 2,801.60 |
| John Hancock | EE & ER Contributions for Bi-Weekly Check Date 7/21/23 | 3,954.14 |
| | EE & ER Contributions For Semi-Monthly Check Date 7/14/23 | 1,394.11 |
| Jolly Jumps | Dual Lane Obstacle Rental for National Night Out-Aug 1, 2023 | 970.00 |
| Nate Volk | Video Broadcast Meeting July 14, 2023 | 350.00 |
| National Testing | Annual Membership for NTN Recruiting | 500.00 |
| Nikki's | Flags for Fire Engines | 203.38 |
| PERMA | 2023-24 Q1 Workers' Comp Premium & Liability Trust Deposit | 292,097.00 |
| Syntech | Monthly IT Support 7/1/23-7/31/2023 | 2,675.00 |
| | Microsoft Subscriptions & Programs 7/1/23-7/31/23 | 1,448.00 |
| TCS | GASB 75 Roll-Forward Valuation -2nd Installment | 720.00 |
| The Christmas Kings | Deposit for Holiday Lighting and Decor Services | 10,650.00 |
| Time Warner | Internet for Fire Station 7/10/23 - 8/9/23 | 306.81 |
| TIP | Annual Trauma Intervention Program 2023-2024 | 1,500.00 |
| Toshiba | Monthly Copier Lease for Admin & City Hall August 2023 | 799.32 |
| | Monthly Copier Lease for Fire Station August 2023 | 120.83 |
| Zoll | Case Review Software | 4,860.00 |

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Page: 1

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

| Vendor ID | Invoice Description | Cash Required |
|--------------|---------------------|---------------|
| Report Total | | 352,148.85 |

City of Canyon Lake
 Check/Voucher Register - Checks Prior Month
 From 7/1/2023 Through 7/31/2023

| Check Number | Vendor Name | Effective Date | Check Amount |
|--------------|--------------------------------|----------------|--------------|
| EFT 762 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 1,093.12 |
| EFT 763 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 288.77 |
| EFT 764 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 780.28 |
| EFT 765 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 10.47 |
| EFT 766 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 227.11 |
| EFT 767 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 116.73 |
| EFT 768 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 47.12 |
| EFT 769 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 630.18 |
| EFT 770 | SOUTHERN CALIFORNIA EDISON | 7/3/2023 | 11.09 |
| EFT 771 | Sparkletts | 7/3/2023 | 179.86 |
| EFT 772 | SOUTHERN CALIFORNIA EDISON | 7/18/2023 | 410.69 |
| EFT 773 | SOUTHERN CALIFORNIA EDISON | 7/18/2023 | 354.14 |
| EFT 774 | ELSINORE VALLEY MUNI WATER DIS | 7/18/2023 | 245.16 |
| EFT 775 | ELSINORE VALLEY MUNI WATER DIS | 7/18/2023 | 103.52 |
| EFT 776 | ELSINORE VALLEY MUNI WATER DIS | 7/18/2023 | 64.69 |
| EFT 777 | ELSINORE VALLEY MUNI WATER DIS | 7/18/2023 | 72.60 |
| EFT 778 | ELSINORE VALLEY MUNI WATER DIS | 7/18/2023 | 1,187.52 |
| Report Total | | | 5,823.05 |

Credit Card Review

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-------------------------|------------------------|------------------|----------------|
| 1 | Omni La Costa Resort | Deposit for Conference | \$ 333.90 | 10-320-6510 |
| 2 | Amazon | Office Supplies | \$ 91.41 | 10-320-6220 |
| 3 | Amazon | Office Supplies | \$ 33.30 | 10-320-6220 |
| 4 | City Clerks Association | Membership | \$ 250.00 | 10-320-6520 |
| 5 | Amazon | Office Supplies | \$ 59.15 | 10-320-6220 |
| | | | \$ 767.76 | |

Account Breakdown

| | | |
|--|-------------|------------------|
| City Clerk Departmental Expense | 10-320-6220 | \$ 183.86 |
| City Clerk Conference/Meeting/Travel Expense | 10-320-6510 | \$ 333.90 |
| City Clerk Dues | 10-320-6520 | \$ 250.00 |
| | | \$ 767.76 |

Check Figure \$

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

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-------------------------|--|--------------------|---|
| 1 | Viking Shred LLC | Community Shred Event 6/3/2023 | \$ 600.00 | 10-310-6220 |
| 2 | Ullne | Office Storage Rack & Wagon | \$ 1,669.94 | 10-320-6220 |
| 3 | NeoGov | Job Posting for Senior Admin Asst (City Clerk) | \$ 199.00 | 10-310-6220 |
| 4 | NeoGov | Job Posting for Senior Admin Asst (City Manager) | \$ 199.00 | 10-310-6220 |
| 5 | Amazon | Prime Membership Fee | \$ 16.15 | 10-310-6220 |
| 6 | City of Canyon Lake | Test Fee for iWorq | \$ 20.00 | 10-310-6220 |
| 7 | City of Canyon Lake | Service Fee | \$ 2.00 | 10-310-6220 |
| 8 | Canyon Lake Auto Repair | 2018 Toyota Highlander Maintenance | \$ 98.02 | 10-360-6415 |
| 9 | Proforce | Code Enforcement Taser | \$ 1,446.02 | 10-520-6220 |
| 10 | Proforce | Code Enforcement Taser Accessories | \$ 138.90 | 10-520-6220 |
| 11 | Cal True Value | Combination Padlock for Rental | \$ 27.18 | 60-560-6210 |
| 12 | Verizon Wireless | Cell Phones -City Hall & Fire | \$ 365.43 | A \$51.36 10-360-6310 \$ 159.99 10-421-6310 \$ 154.08 10-520-6310 |
| 13 | Verizon Wireless | Ipads & Sim Card Device | \$ 160.74 | A \$ 78.88 10-421-6310 \$ 47.84 10-520-6310 \$33.52 10-550-6320 |
| | | | \$ 4,941.88 | |

Account Breakdown

| | | |
|---------------------------------------|-------------|--------------------|
| City Manager Departmental Expense | 10-310-6220 | \$ 2,706.09 |
| Building Dept Communications | 10-360-6310 | \$ 51.36 |
| Building & Safety Fleet Maintenance | 10-360-6415 | \$ 98.02 |
| Fire Department Communications | 10-421-6310 | \$ 238.87 |
| Code Enforcement Departmental Expense | 10-520-6220 | \$ 1,584.92 |
| Code Enforcement Communications | 10-520-6310 | \$ 201.92 |
| Building & Facilities Utilities | 10-550-6320 | \$33.52 |
| Rental Office Expense & Supplies | 60-560-6210 | \$ 27.18 |
| | | \$ 4,941.88 |

Check Figure \$

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

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-----------------|--------------------------------|------------------|----------------|
| 1 | Del Taco | Food for Crew on Fire Incident | \$ 36.41 | 10-421-6220 |
| 2 | Lowe's | Fire Station Supplies | \$ 241.66 | 10-421-6220 |
| 3 | Costco | Fire Station Supplies | \$ 221.82 | 10-421-6210 |
| 4 | Apple.com | Monthly iCloud Storage | \$ 2.99 | 10-421-6310 |
| 5 | USPS | Postage to Return Medication | \$ 11.45 | 10-421-6210 |
| 6 | Tommy's Express | Car Wash for C-1 | \$ 17.00 | 10-421-6410 |
| | | | \$ 531.33 | |

Account Breakdown

| | | |
|---|-------------|------------------|
| Fire Department Fleet & Equipment Maintenance | 10-421-6410 | \$ 17.00 |
| Fire Department Office Expense & Supplies | 10-421-6210 | \$ 233.27 |
| Fire Department Departmental Expense | 10-421-6220 | \$ 278.07 |
| Fire Department Communications | 10-421-6310 | \$ 2.99 |
| | | \$ 531.33 |

Check Figure \$

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

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-----------------|--------------------|-----------------|----------------|
| 1 | Tommy's Express | Car Wash B-1 | \$ 18.00 | 10-421-6410 |
| | | | <u>\$ 18.00</u> | |

Account Breakdown

| | | |
|--|-------------|-----------------|
| Fire Station Fleet & Equipment Maintenance | 10-421-6410 | \$ 18.00 |
| | | <u>\$ 18.00</u> |

Check Figure \$ -

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

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|---------------------------|---|------------------|----------------|
| 1 | Tommy's Express | Car Wash June 2023 | \$ 10.00 | 10-310-6415 |
| 2 | Municipal Management Asso | Membership Fee | \$ 90.00 | 10-330-6520 |
| 3 | CSMFO | Membership Fee | \$ 50.00 | 10-330-6520 |
| 4 | Tommy's Express | Monthly car wash subscription June 2023 | \$ 43.98 | 10-520-6415 |
| 5 | Tommy's Express | Monthly car wash subscription June 2023 | \$ 21.99 | 10-360-6415 |
| 5 | Tommy's Express | Monthly car wash subscription June 2023 | \$ 21.99 | 10-310-6415 |
| 6 | Tommy's Express | Car Wash June 2023 | \$ 10.00 | 10-310-6415 |
| | | | \$ 247.96 | |

Account Breakdown

| | | |
|---------------------------------------|-------------|------------------|
| City Manager Vehicle Maintenance | 10-310-6415 | \$ 41.99 |
| Finance Membership/Dues/Publications | 10-330-6520 | \$ 140.00 |
| Building & Safety Vehicle Maintenance | 10-360-6415 | \$ 21.99 |
| Vehicle Maintenance | 10-520-6415 | \$ 43.98 |
| | | \$ 247.96 |

Check Figure \$

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

California Bank & Trust Statement dated 6/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|------------------------|--------------------|--------------------|----------------|
| 1 | CLPOA-Country Club | Business Lunch | \$ 33.60 | 10-310-6510 |
| 2 | ICMA | Membership Dues | \$ 1,200.00 | 10-310-6520 |
| 3 | ICMA | Learning Lab Fees | \$ 395.00 | 10-310-6520 |
| 4 | TST Estrella Riverside | Business Lunch | \$ 21.88 | 10-310-6510 |
| | | | \$ 1,650.48 | |

Account Breakdown

| | | |
|-----------------------------------|-------------|--------------------|
| Conference/Meeting/Travel Expense | 10-310-6510 | \$ 55.48 |
| City Manager Membership | 10-310-6520 | \$ 1,595.00 |
| | | \$ 1,650.48 |

Check Figure \$ -

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

US BANK Statement dated 7/6/2023

| ITEM # | CREDITOR | DESCRIPTION | AMOUNT | ACCOUNT |
|--------|---------------------|---|--------------------|-------------|
| 1 | Downs Energy | | \$ 762.70 | 10-421-6425 |
| 2 | City of Canyon Lake | Test Fee for Iworq | \$ 20.00 | 10-310-6220 |
| 3 | City of Canyon Lake | Service Fee for Iworq Test Fee | \$ 2.00 | 10-310-6220 |
| 4 | Adobe | Photography Plan (20GB) | \$ 9.99 | 10-310-6220 |
| 5 | Arlo Technologies | City Hall Security Cameras | \$ 12.99 | 10-550-6610 |
| 6 | Downs Energy | Fuel for Fire 1 & Fire 2 | \$ 387.01 | 10-421-6425 |
| 7 | Zoom US | Zoom Subscription for Meetings | \$ 16.62 | 10-310-6220 |
| 8 | Arlo Technologies | Admin Office Security Cameras | \$ 17.99 | 10-550-6610 |
| 9 | Downs Energy | Fuel for Fire 1, Fire 2, and Fire 3 | \$ 642.92 | 10-421-6425 |
| 10 | Adobe | Acrobat Subscriptions | \$ 215.91 | A |
| 11 | Adobe | Refund for Subscription | \$ (21.67) | 10-310-6220 |
| 12 | Adobe | Refund for Photography Plan (20GB) | \$ (3.79) | 10-310-6220 |
| 13 | Adobe | Creative Cloud All Apps 100GB | \$ 29.99 | 10-310-6220 |
| 14 | Adobe | Acrobat Subscription | \$ 21.67 | 10-310-6220 |
| 15 | Frontier Comm | Internet for City Hall & Admin Office | \$ 204.66 | 10-550-6320 |
| 16 | Murrieta Chamber | Murrieta State of the City Tickets | \$ 180.00 | A |
| 17 | PZA | Closed Session Meal for Council 6/14/23 | \$ 18.41 | 10-100-6225 |
| 18 | PZA | Closed Session Meal for Council 6/14/23 | \$ 180.78 | 10-100-6225 |
| 19 | Stater Brothers | Supplies for Admin | \$ 56.34 | 10-310-6210 |
| | | | \$ 2,754.52 | |

Account Breakdown

| | | |
|---|-------------|--------------------|
| City Council Meeting Expense | 10-100-6225 | \$ 199.19 |
| Council Meeting/Travel Expense | 10-100-6510 | \$135.00 |
| City Manager Office Expense and Supplies | 10-310-6210 | \$ 56.34 |
| Conference/Meeting/Travel Expense | 10-310-6510 | \$45.00 |
| City Manager Dept. Expense | 10-310-6220 | \$ 98.80 |
| City Clerk Departmental Expense | 10-320-6220 | \$47.98 |
| Building Dept Expense | 10-360-6220 | \$47.98 |
| Finance Office Expense and Supplies | 10-330-6210 | \$23.99 |
| Fire Department Fuel & Lubricants | 10-421-6425 | \$ 1,792.63 |
| Fire Department Expense | 10-421-6220 | \$71.97 |
| Building & Facilities Utilities | 10-550-6320 | \$ 204.66 |
| Building & Facilities Professional/Specialized Services | 10-550-6610 | \$ 30.98 |
| | | \$ 2,754.52 |

Check Figure \$ -

Copies for City Council
as directed by
the Finance Committee

RESOLUTION NO. 2023-32

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

WHEREAS, the Finance & Planning Committee of the City of Canyon Lake reviewed Exhibit A at their regularly scheduled meeting on September 13, 2023; and

WHEREAS, Exhibit A was presented at the regular meeting of the City Council on September 13, 2023, at which all present, were given an opportunity to comment.

NOW, THEREFORE, 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 September 13th, in the amount of \$715,256.34 as follows:

| | | |
|---------------------------------|----------------------|---|
| Payroll Earnings (Gross) | \$ 141,970.16 | (For Month of August) |
| Payroll Processing Fees | \$ 483.45 | (For Month of August) |
| Payroll Taxes - Employer | 2,974.88 | (For Month of August) |
| On-line Retirement | 16,652.94 | (For Month of August) |
| GASB 68 Reporting Fee | 700.00 | (For Month of August) |
| PARS | 14,650.64 | (2nd Half of July & 1st Half of August) |
| On-line Health | 21,380.11 | (For Month of August) |
| Principal | 372.36 | (For Month of August) |
| Aflac | 927.10 | (For Month of August) |
| Nationwide Deferred Comp. | 7,744.39 | (For Month of August) |
| Citizens Business Bank Interest | 1,949.05 | (For the Month of July) |
| General | \$ 505,451.26 | |
| TOTAL | <u>\$ 715,256.34</u> | |

PASSED, APPROVED AND ADOPTED this 13th day of September, 2023.

Jeremy Smith, Mayor

ATTEST:

Sheryl L. Garcia, MMC, CPM
City Clerk

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

| <u>Vendor ID</u> | <u>Invoice Description</u> | <u>Cash Required</u> |
|------------------|---|----------------------|
| Guzman | Table and Chair Rentals for 2023 National Night Out | <u>180.00</u> |
| Report Total | | <u>180.00</u> |

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

| Vendor ID | Invoice Description | Cash Required |
|--------------------------|---|---------------|
| ABILA | Accounting Software 9/1/23-9/30/23 | 205.70 |
| Amazon | Fire Station Office & Cleaning Supplies | 455.74 |
| AMERICAN FORENSIC | Sheriff's Blood Draw-7/21/2023 | 66.85 |
| | Sheriff's Blood Draw-7/21/2023 | 66.85 |
| American Legal | Internet Renewal Period: 08/04/2023-08/04/2024 | 450.00 |
| ANIMAL FRIENDS | Animal Control Services Month of July 2023 | 3,500.00 |
| Bankcard | See Credit Card Review 0776 | 72.40 |
| | See Credit Card Review 7235 | 1,647.96 |
| | See Credit Card Review 0066 | 127.96 |
| | See Credit Card Review 7227 | 42.38 |
| | See Credit Card Review 0058 | 4,096.68 |
| Bill Blankenship | Economic Development Consulting July 2023 | 3,330.00 |
| Bound Tree | Fire Station Medical Supplies | 140.19 |
| Brown | Reserve Stipend for July 2023 | 50.00 |
| Brown, J | Reserve Stipend for July 2023 | 100.00 |
| CL PEST | Monthly Rodent Bait for Fire Station July 2023 | 20.00 |
| | Monthly Pest Control for Fire Station July 2023 | 45.00 |
| Concentra | Reserve Medical Exam-Brown | 314.00 |
| Cotter Construction Inc. | Fire Station Medication Room Construction & Paint Hallway | 12,000.00 |
| CPR Training Centers | CPR Training-Hemsley | 55.00 |
| CR&R | Trash Services for Rental Bldg. August 2023 | 201.12 |
| CTAI | Staked 28 Existing Trees on Railroad Canyon-Medians | 980.00 |
| Curtis | Pay Difference from Credit Memo for Chainsaw | 12.83 |
| Dain | Auto Allowance August 2023-Dain | 100.00 |
| Forensic | Forensic Assault Exam-7/18/23 | 1,400.00 |
| GOVOF | Annual Website Hosting July 2023-June 2024 | 6,995.00 |
| hipprint | Fire Station Keys for "Passing of the Key" | 72.74 |
| Jake Stouffer | Reserve Stipend for July 2023 | 100.00 |
| Jeremy Smith | Auto Allowance August 2023-Smith | 100.00 |
| John Hancock | EE & ER Contributions for Semi-Monthly Check Date 7/31/23 | 1,394.11 |
| | EE & ER Contributions for Bi-Weekly Check Date 8/4/23 | 3,954.14 |
| Johnson Equipment | City Dodge Truck Emergency Lights/Radio Installation | 7,945.99 |
| Kasey Castillo | Auto Allowance August 2023-Castillo | 100.00 |
| Koopman | Reserve Stipend for July 2023 | 50.00 |
| LESJWA | FY 23-24 TMDL Member Contributions | 36,069.00 |
| LEW Edwards | Professional Services July 2023 | 6,000.00 |
| Longobardo | Reserve Stipend for July 2023 | 150.00 |
| Luksch | Reserve Stipend for July 2023 | 100.00 |
| Mark Terry | Auto Allowance August 2023-Terry | 100.00 |

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Page: 1

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

| Vendor ID | Invoice Description | Cash Required |
|---------------|--|---------------|
| MMASC | MMASC Membership Renewal-Gorham | 90.00 |
| Riv Co Cal-ID | Riv Cal-ID FY 23-24 Member Agency Assessment | 11,056.00 |
| SanchezJ | Reserve Stipend for July 2023 | 200.00 |
| SDRMA | Dental & Vision Insurance September 2023 | 1,663.99 |
| Sean Rivello | Reserve Stipend for July 2023 | 150.00 |
| Sitar | Fire Station Nurse Educator Services | 100.00 |
| STAPLES | Office Supplies for Admin & City Hall | 189.70 |
| The Gas Co | Gas Charges for 31520 Railroad Cyn Rd 6/28/23-7/28/23 | 15.37 |
| Time Warner | Digital Converter for City Hall 7/22/23-8/21/23 | 5.54 |
| ULINE | Fire Station Reconstruction Supplies | 2,148.12 |
| Welty | Auto Allowance August 2023-Welty | 100.00 |
| Zach Michel | Reserve Stipend for July 2023 | 150.00 |
| Report Total | | 108,480.36 |

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

| Vendor ID | Invoice Description | Cash Required |
|--------------------------------------|--|---------------|
| CL PEST | Monthly Rodent Bait for Fire Station June 2023 | 20.00 |
| | Monthly Pest Control for Fire Station June 2023 | 45.00 |
| Co of Riv EMD | Quarterly Emergency Services for April 2023 - June 2023 | 6,250.00 |
| Cole Huber | Attorney Services/General May 2023 | 8,510.00 |
| Empire Transportation | Junior Lifeguard Program-Shuttle Services 6/19/23-6/30/23 | 8,250.00 |
| Riv Co Sheriff Dept Lake Elsinore | Sheriff's Contract Law 6/1/23-6/30/23 | 161,876.92 |
| Shuster | Quarter 2 Advisory Fee 4/1/23-6/30/23 | 750.00 |
| Sitar | Fire Station Nurse Education Services: RHeaRT & CQI | 850.00 |
| TRI LAKE | City Engineering Services (Public Works-T&M) May 1-31, 2023 | 3,518.70 |
| Report Total | | 190,070.62 |

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

| <u>Vendor ID</u> | <u>Invoice Description</u> | <u>Cash Required</u> |
|------------------|-----------------------------|----------------------|
| Bankcard | See Credit Card Review 0041 | <u>925.65</u> |
| Report Total | | <u>925.65</u> |

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

| Vendor ID | Invoice Description | Cash Required |
|-------------------|--|---------------|
| Air Force 1 | Fire Station AC Repairs | 790.00 |
| Amazon | Fire Station Equipment | 2,228.28 |
| | Fire Station Supplies | 481.53 |
| | Fire Station Supplies | 91.02 |
| | Fire Station Equipment | 116.36 |
| AMP | Rent for September 2023-31526 Railroad Canyon Rd. Ste. 5 | 2,834.00 |
| | Rent for September 2023-31526 Railroad Canyon Rd. Ste. 4 | 430.00 |
| CL PEST | Bi-Monthly Pest Control for Admin | 60.00 |
| Control Pump | Landscape Booster Station for July 2023 | 375.00 |
| | Pump Repair for Booster Station July 2023 | 1,050.00 |
| Corelogic | Database for Code Enforcement July 2023 | 144.90 |
| CR&R | Refuse Collections FY22-23 CY Sec SS3 | 34,622.82 |
| CTAI | Landscape Maintenance Fee for Medians & Parkways August 2023 | 4,775.00 |
| | Landscape for Fire Station August 2023 | 250.00 |
| Curtis | Fire Station Replacement Flashlight E-1 | 145.37 |
| DATA TICKET | Monthly Parking Fee for July 2023 | 100.00 |
| | Code Enforcement Citation Processing July 2023 | 100.00 |
| | Monthly EMS Response Fee July 2023 | 289.10 |
| Delgado | Janitorial Services July 23 plus National Night Out Clean-Up | 1,430.50 |
| | Janitorial Services July 23 plus National Night Out Clean-Up | 59.00 |
| DOJ | Fingerprints for July 2023 | 96.00 |
| DPFG | Fiscal Impact Analysis July 2023 | 2,392.00 |
| Embroidery | City Logo Shirts for New Staff | 391.50 |
| Fire ETC | Fire Station Helmet Flashlights | 633.35 |
| Gorham | Last Check for Vacation Hours, Check Date 8/31/2023 | 2,887.75 |
| GREENHALGH | Retiree Health Insurance September 2023 | 148.68 |
| HINDERLITER | July 2023 Services for Cannabis Management Program | 1,250.00 |
| Inland Urgent | New Employee Physical-Madalyne & Ashley | 280.00 |
| John Hancock | EE & ER Contributions for Semi-Monthly Check Date 8/31/2023 | 1,394.11 |
| | EE & ER Contributions for Bi-Weekly Check Date 8/18/23 | 3,954.14 |
| | EE & ER Contributions for Semi-Monthly Check Date 8/15/23 | 1,394.11 |
| Johnson Equipment | Fire Station Equipment Installation on E-201 | 120.78 |
| Jon's | Flags for City Hall & Veterans Park | 421.95 |
| MES | Fire Station SCBA Repairs | 35.00 |

Date: 8/30/23
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Page: 1

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

| Vendor ID | Invoice Description | Cash Required |
|---------------------------------|---|---------------|
| PBK Golf Services | 2023 Canyon Lake City Golf Championship-Sponsorship | 1,500.00 |
| Pitney | Lease Meter June 13, 2023 - September 12, 2023 | 147.94 |
| | Supplies Red-Ink | 98.36 |
| PZL, Inc. | Planning Services for July 2023 | 4,260.00 |
| RAMS | Accounting Services for July 2023 | 4,596.00 |
| Rincon | Canyon Lake Housing Element 7/1/23-7/31/23 | 4,854.89 |
| riv Co Exec | Sheltering Costs for 1st Quarter July -September 2023 | 23,549.00 |
| | Debt Service FY 23/24 | 34,685.00 |
| SoCal Fire Prevention Officers | Fire Prevention Training - Chief LaTendresse | 10.00 |
| Teleflex | Medical Supplies for Fire Station | 262.71 |
| The Code | Plan Check Services for July 2, 2023 to July 29, 2023 | 1,611.63 |
| Time Warner | Internet for Fire Station 8/10/23-9/9/23 | 306.81 |
| Toshiba | Monthly Copier Lease for Admin & City Hall September 2023 | 799.32 |
| | Monthly Copier Lease for Fire Station September 2023 | 120.83 |
| Toshiba Business Solutions, USA | Fire Station B/W & Color Copies 7/25/23-8/24/23 | 98.53 |
| TRI LAKE | CL-002 Railroad Canyon Road Project 7/1/23-7/31/23 | 10,522.14 |
| | CL-003 Railroad Canyon Road-HSIP Project 7/1/23-7/31/23 | 1,332.50 |
| | CL-001 General Engineering Services 7/1/23-7/31/23 | 9,528.71 |
| US Bank | See Credit Review | 9,477.75 |
| | See Credit Review | 1,295.00 |
| Willdan | EMS User Fee Study | 3,220.00 |
| Report Total | | 178,049.37 |

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

| Vendor ID | Invoice Description | Cash Required |
|--------------|---|---------------|
| Cole Huber | Attorney Services/General June 2023 | 8,510.00 |
| CPS | HR Consulting Services 5/28/23 to 6/30/23 | 101.25 |
| Curtis | Fire Station Firefighting Equipment | 3,150.16 |
| | Fire Station F100 Nozzle Repair Kit | 241.54 |
| DPFG | Fiscal Impact Analysis June 2023 | 6,076.50 |
| DSA | Disability & Education Fee Quarterly Ended 6/30/2023 | 68.00 |
| Lawrence | Repair to Fire Station Doors | 1,530.31 |
| PARS | Monthly Administrative Fee Ending June 2023 | 400.00 |
| Report Total | | 20,077.76 |

City of Canyon Lake
 Check/Voucher Register - Checks Prior Month
 From 8/1/2023 Through 8/31/2023

| Check Number | Vendor Name | Effective Date | Check Amount |
|--------------|--------------------------------|----------------|-----------------|
| EFT 779 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 1,816.47 |
| EFT 780 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 287.56 |
| EFT 781 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 1,046.60 |
| EFT 782 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 11.30 |
| EFT 783 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 875.06 |
| EFT 784 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 47.57 |
| EFT 785 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 16.68 |
| EFT 786 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 20.44 |
| EFT 787 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 470.16 |
| EFT 788 | SOUTHERN CALIFORNIA EDISON | 8/3/2023 | 119.79 |
| EFT 789 | Sparkletts | 8/3/2023 | 180.36 |
| EFT 790 | SOUTHERN CALIFORNIA EDISON | 8/16/2023 | 356.79 |
| EFT 791 | SOUTHERN CALIFORNIA EDISON | 8/16/2023 | 398.74 |
| EFT 792 | ELSINORE VALLEY MUNI WATER DI: | 8/16/2023 | 488.44 |
| EFT 793 | ELSINORE VALLEY MUNI WATER DI: | 8/16/2023 | 69.13 |
| EFT 794 | ELSINORE VALLEY MUNI WATER DI: | 8/16/2023 | 100.77 |
| EFT 795 | ELSINORE VALLEY MUNI WATER DI: | 8/16/2023 | 100.57 |
| EFT 796 | ELSINORE VALLEY MUNI WATER DI: | 8/16/2023 | 1,261.07 |
| Report Total | | | <u>7,667.50</u> |

Credit Card Review

California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|--|--------------------------|-----------------|----------------|
| 1 | Shell Oil | Fuel for B-1 | \$ 72.40 | 10-421-6425 |
| | | | <u>\$ 72.40</u> | |
| | | <u>Account Breakdown</u> | | |
| | Fire Station Fleet & Equipment Maintenance | 10-421-6410 | \$ 72.40 | |
| | | | <u>\$ 72.40</u> | |
| | | | \$ - | |

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

California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-----------------|-----------------------------------|--------------------|----------------|
| 1 | Amazon | 5 Desk Converters | \$ 1,333.35 | 10-550-8007 |
| 2 | Amazon | Wireless Remote Clicker | \$ 66.72 | 10-100-6220 |
| 3 | Lowe's | Office Supplies | \$ 190.03 | 10-310-6210 |
| 4 | Amazon | Office Supplies- Pencil Sharpener | \$ 57.86 | 10-320-6210 |
| 5 | | | | |
| | | | <u>\$ 1,647.96</u> | |

Account Breakdown

| | | |
|---------------------------------|-------------|--------------------|
| City Council Dept. Expense | 10-100-6220 | \$ 66.72 |
| City Manager Office Expense | 10-310-6210 | \$ 190.03 |
| City Clerk Departmental Expense | 10-320-6220 | \$ 57.86 |
| Furniture & Equipment | 10-550-8007 | \$ 1,333.35 |
| | | <u>\$ 1,647.96</u> |

Check Figure \$ -

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

California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|-----------------|--------------------|------------------|--|
| 1 | Tommy's Express | Car Wash June 2023 | \$ 10.00 | 10-310-6415 |
| 2 | Tommy's Express | Car Wash July 2023 | \$ 10.00 | 10-310-6415 |
| 3 | Tommy's Express | Car Wash July 2023 | \$ 10.00 | 10-310-6415 |
| 4 | Tommy's Express | Car Wash July 2023 | \$ 10.00 | 10-310-6415 |
| 5 | Tommy's Express | Car Wash July 2023 | \$ 87.96 | A \$ 43.98 10-520-6415 \$ 21.99 10-360-6415 \$ 21.99 10-310-6415 |
| | | | <u>\$ 127.96</u> | |

Account Breakdown

| | | |
|---------------------------------------|-------------|------------------|
| City Manager Vehicle Maintenance | 10-310-6415 | \$ 61.99 |
| Building & Safety Vehicle Maintenance | 10-360-6415 | \$ 21.99 |
| Vehicle Maintenance | 10-520-6415 | \$ 43.98 |
| | | <u>\$ 127.96</u> |

Check Figure \$ -

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

California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|------------------|----------------------------------|-----------------|----------------|
| 1 | Cal True Value 1 | National Night Out 2023 Supplies | \$ 42.38 | 10-100-6831 |
| | | | <u>\$ 42.38</u> | |

Account Breakdown

| | | |
|-------------|-------------|-----------------|
| City Events | 10-100-6831 | \$ 42.38 |
| | | <u>\$ 42.38</u> |

Check Figure \$ -

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California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|------------------------|--|--------------------|----------------|
| 1 | Positive Promotions | National Night Out 2023-Public Educaton Supplies | \$ 776.82 | 10-100-6830 |
| 2 | Lowe's | Training Supplies | \$ 688.64 | 10-421-6710 |
| 3 | USPS | Shipping Return Equipment | \$ 12.55 | 10-421-6210 |
| 4 | Tommys Express | Car Wash for C-1 | \$ 17.00 | 10-421-6410 |
| 5 | Dunkin | Donuts for Fourth of July 2023 Staff | \$ 31.98 | 10-421-6220 |
| 6 | The Home Depot | Maintenance Supplies Toilet Auger | \$ 66.03 | 10-550-8018 |
| 7 | Apple.com | Monthly iCloud Storage | \$ 2.99 | 10-421-6310 |
| 8 | Howies Hocley Inc | Equipment Marking Tape | \$ 77.51 | 10-421-6410 |
| 9 | Tommys Express | Car Wash for C-1 | \$ 17.00 | 10-421-6410 |
| 10 | Grainger | Medication Drop-Off Box | \$ 1,522.50 | 10-310-6855 |
| 11 | Fastsigns | Signage for Medication Box | \$ 75.04 | 10-421-6610 |
| 12 | USPS | Shipping for Turnout Returns | \$ 40.70 | 10-421-6210 |
| 13 | Lowe's | Diesel Exhaust Fuel for Engines | \$ 190.68 | 10-421-6425 |
| 14 | Costco | Fire Station Supplies | \$ 236.62 | 10-421-6220 |
| 15 | Tommys Express | Car Wash for C-1 | \$ 17.00 | 10-421-6410 |
| 16 | Exxon Menifee Car Wash | Car Wash for C-1 | \$ 30.95 | 10-421-6410 |
| 17 | SP Incredible Cookies | Cookies for Key Passing Ceremony | \$ 292.67 | 10-310-6855 |
| | | | \$ 4,096.68 | |

Account Breakdown

| | | |
|--|-------------|--------------------|
| Promotion and Advertising | 10-100-6830 | \$ 776.82 |
| City Manager Contingency | 10-310-6855 | \$ 1,815.17 |
| Fire Department Fleet & Equipment Maintenance | 10-421-6410 | \$ 159.46 |
| Fire Department Office Expense & Supplies | 10-421-6210 | \$ 53.25 |
| Fire Department Departmental Expense | 10-421-6220 | \$ 268.60 |
| Fire Department Communications | 10-421-6310 | \$ 2.99 |
| Fire Department Professional/Specialized Services | 10-421-6610 | \$ 75.04 |
| Fire Department Fuel & Lubricants | 10-421-6425 | \$ 190.68 |
| Fire Department Training & Education | 10-421-6710 | \$ 688.64 |
| Building & Facilities Maint. Fire Station Upgrades | 10-550-8018 | \$ 66.03 |
| | | \$ 4,096.68 |

Check Figure \$ -

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California Bank & Trust Statement dated 7/28/23

| <u>ITEM #</u> | <u>CREDITOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | <u>ACCOUNT</u> |
|---------------|------------------|-------------------------------|------------------|---|
| 1 | Amazon | Office Supplies | \$ 89.41 | 10-310-6210 |
| 2 | Amazon | Office Supplies | \$ 42.02 | 10-310-6210 |
| 3 | Amazon Prime | Prime Membership Fee | \$ 16.15 | 10-310-6210 |
| 4 | Amazon | Office Supplies | \$ 16.14 | 10-310-6210 |
| 5 | Amazon | Protection Plan | \$ 5.99 | 10-310-6210 |
| 6 | Verizon Wireless | Ipads & Sim Card Device | \$ 160.24 | A \$ 78.88 10-421-6310 \$ 47.84 10-520-6310 \$33.52 10-550-6320 |
| 7 | Verizon Wireless | Cell Phones -City Hall & Fire | \$ 365.46 | A \$51.36 10-360-6310 \$ 159.99 10-421-6310 \$ 154.11 10-520-6310 |
| 8 | Amazon | Office Supplies | \$ 31.24 | 10-310-3210 |
| 9 | NEOGOVO | Job Posting | \$ 199.00 | 10-421-6210 |
| | | | \$ 925.65 | |

Account Breakdown

| | | |
|---|-------------|------------------|
| City Manager Office Expense | 10-310-6210 | \$ 200.95 |
| Building Dept Communications | 10-360-6310 | \$51.36 |
| Fire Department Office Expense & Supplies | 10-421-6210 | \$ 199.00 |
| Fire Department Communications | 10-421-6310 | \$ 238.87 |
| Code Enforcement Communications | 10-520-6310 | \$ 201.95 |
| Building & Facilities Utilities | 10-550-6320 | \$33.52 |
| | | \$ 925.65 |

Check Figure \$

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US BANK Statement dated 8/6/2023

| ITEM # | CREDITOR | DESCRIPTION | AMOUNT | ACCOUNT |
|--------|------------------------------------|---|---------------------|-------------|
| 1 | Downs Energy | Fuel for Fire 1 and 2 | \$ 600.67 | 10-421-6425 |
| 2 | Jon's Flags & Poles | Flags for City Hall & Veterans Park | \$ 207.42 | 10-310-6210 |
| 3 | Lowes | Mini Fridge for Council Chamber | \$ 174.00 | 10-550-8007 |
| 4 | Arlo Technologies | City Hall Security Cameras | \$ 12.99 | 10-550-6610 |
| 5 | Downs Energy | Fuel for Fire 1 and 2 | \$ 508.24 | 10-421-6425 |
| 6 | Zoom US | Zoom Subscription for Meetings | \$ 16.62 | 10-310-6210 |
| 7 | Radarsign | Replacement Sign | \$ 1,295.00 | 20-520-6721 |
| 8 | Graphics and Printing Net | Business Cards- Morrissey & Harnden | \$ 536.60 | A |
| 9 | Arlo Technologies | Admin Office Security Cameras | \$ 17.99 | 10-550-6610 |
| 10 | Downs Energy | Fuel for Fire 1 and 2 | \$ 637.79 | 10-421-6425 |
| 11 | Adobe | Acrobat Subscriptions | \$ 215.91 | A |
| 12 | Frontier Comm | Internet for City Hall & Admin Office | \$ 204.67 | 10-550-6320 |
| 13 | Adobe | Creative Cloud All Apps 100GB | \$ 29.99 | 10-310-6210 |
| 14 | Blue Ribbon Breakfast | Registration Fee | \$ 105.00 | A |
| 15 | Temecula State of the City | Registration Fee | \$ 280.00 | A |
| 16 | A's Pizza | Closed Session Meal-7/12/2023 | \$ 137.25 | 10-100-6225 |
| 17 | CCI Hotel Reservation | Hotel Booking Service Fee | \$ 15.99 | 10-100-6510 |
| 18 | CCI Hotel Reservation | Hotel Reservations for League of CA Cities Conference | \$ 3,134.15 | A |
| 19 | Lake Elsinore VIP Florist | Flowers for Memorial Day Event | \$ 135.94 | 10-100-6831 |
| 20 | CCI Hotel Reservation-Cancellation | Cancelled Hotel Reservations | \$ (3,134.15) | A |
| 21 | League of California | Registration Fee-Councilmember Terry | \$ 650.00 | 10-100-6510 |
| 22 | League of California | Registration Fee-Mayor Pro Tem Welty | \$ 650.00 | 10-100-6510 |
| 23 | League of California | Registration Fee-Mayor Smith | \$ 650.00 | 10-100-6510 |
| 24 | League of California | Registration Fee-City Manager Dalley | \$ 650.00 | 10-310-6510 |
| 25 | Facebook | Ad for 2023 National Night Out | \$ 15.00 | 10-100-6831 |
| 26 | Southwest Airlines | Flight Fee-Councilmember Terry | \$ 257.96 | 10-100-6510 |
| 27 | Southwest Airlines | Flight Fee-Mayor Smith | \$ 257.96 | 10-100-6510 |
| 28 | Southwest Airlines | Flight Fee-City Manager Dalley | \$ 257.96 | 10-310-6510 |
| 29 | Corona Chamber of Commerce | 2023 Women's Leadership Conference Fee | \$ 75.00 | 10-310-6510 |
| 30 | Corona Chamber of Commerce | 2023 Women's Leadership Conference Fee | \$ 75.00 | 10-320-6510 |
| 31 | Corona Chamber of Commerce | 2023 Women's Leadership Conference Fee | \$ 75.00 | 10-100-6510 |
| 32 | Corona Chamber of Commerce | 2023 Women's Leadership Conference Fee | \$ 75.00 | 10-100-6510 |
| 33 | Southwest Airlines | Flight Fee for League of CA Cities Conference | \$ 487.95 | 10-100-6510 |
| 34 | Southwest Airlines | Flight Fee for League of CA Cities Conference | \$ 487.95 | 10-100-6510 |
| 35 | Southwest Airlines | Flight Fee for League of CA Cities Conference | \$ 487.95 | 10-100-6510 |
| 36 | Southwest Airlines | Flight Fee for League of CA Cities Conference | \$ 487.95 | 10-310-6510 |
| | | | \$ 10,772.75 | |

Account Breakdown

| | | |
|---|-------------|---------------------|
| City Council City Events | 10-100-6831 | \$ 150.94 |
| City Council Meeting Expense | 10-100-6225 | \$ 137.25 |
| Conference/Meeting/Travel Expense | 10-100-6510 | \$ 4,445.76 |
| City Manager Office Expense and Supplies | 10-310-6210 | \$ 522.33 |
| Conference/Meeting/Travel Expense | 10-310-6510 | \$ 1,505.91 |
| City Manager Dept. Expense | 10-310-6220 | \$ 23.99 |
| City Clerk Departmental Expense | 10-320-6220 | \$ 47.98 |
| City Clerk Conference/Meeting/Travel Expense | 10-320-6510 | \$ 75.00 |
| Building Dept Expense | 10-360-6220 | \$ 547.98 |
| Building Dept Office Expense and Supplies | 10-360-6210 | \$ 268.30 |
| Finance Office Expense and Supplies | 10-330-6210 | \$ 23.99 |
| Fire Department Fuel & Lubricants | 10-421-6425 | \$ 1,746.70 |
| Fire Department Expense | 10-421-6220 | \$ 571.97 |
| Building & Facilities Utilities | 10-550-6320 | \$ 204.67 |
| Building & Facilities Professional/Specialized Services | 10-550-6610 | \$ 30.98 |
| Building & Facilities Maint. Furniture & Equip. | 10-550-8007 | \$ 174.00 |
| Gas Tax Street Maintenance | 20-520-6721 | \$ 1,295.00 |
| | | \$ 10,772.75 |

Check Figure \$ -

Copies for City Council
as directed by
the Finance Committee

**MINUTES
REGULAR MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, July 12, 2023**

**Closed Session – 4:30 p.m.
City Hall Administration Building
31526 Railroad Canyon Road, Suite 5
Canyon Lake, CA 92587**

CALL TO ORDER

Mayor Smith called the meeting to order at 4:32 p.m.

ROLL CALL

Present: Council Member Castillo, Council Member Dain, Council Member Terry,
Mayor Pro Tem Welty and Mayor Smith.

Absent: None.

PUBLIC COMMENTS

There were no public comments.

CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Section 54956.8
Property: 28730 Vacation Drive, Canyon Lake, CA
Agency Negotiator: City Manager
Negotiating Parties: Canyon Lake Property Owner's Association
Under Negotiation: Price and Terms of Payment

- B. CONFERENCE WITH LEGAL COUNSEL– INITIATION OF LITIGATION –
Pursuant to paragraph (4) of subdivision (d) of Section 54956.9 – (1 case)

The City Council entered Closed Session at 4:32 p.m.

**Open Session – 6:30 p.m.
City Hall Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587**

CALL OPEN SESSION TO ORDER

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

Mayor Smith called for a moment of silence in honor of the men and women who gave the ultimate sacrifice.

INVOCATION

The Invocation was led by Mayor Smith.

FLAG SALUTE

The Flag Salute was led by Supervisor Karen Spiegel.

ROLL CALL

Present: Council Member Castillo, Council Member Dain, Council Member Terry, Mayor Pro Tem Welty and Mayor Smith.

Absent: None.

CLOSED SESSION REPORT

City Attorney Graham stated there was no reportable action.

CEREMONIAL MATTERS

Mayor Smith recognized Kathy Barbay as Citizen of the Month for July.

Mayor Smith recognized the Canyon Lake Quilters Club.

COMMUNITY REPORTS

Supervisor Karen Spiegel provided information on the Riverside County Women's Leadership Conference taking place on September 14, 2023.

Director Darcy Burke provided an update on behalf of the Elsinore Valley Municipal Water District.

Board President Bill Van Vleet provided an update on behalf of the Canyon Lake Property Owners Association.

President John Grande provided an update on behalf of the Chamber of Commerce.

PUBLIC SAFETY UPDATE

Code Enforcement Supervisor Manzano provided an update on code enforcement statistics.

Sheriff's Lieutenant Edwards provided an update on public safety statistics.

Fire Chief LaTendresse provided an update on fire statistics.

PUBLIC COMMENT

Renee Griffiths spoke about firefighter pay and the City's contract with Jacob Green.

COMMITTEE AND COUNCIL REPORTS/COMMENTS

Council Member Terry stated he attended the WRCOG General Assembly meeting on June 28, 2023. He announced a panel discussion on how to build a business through social media taking place on July 19, 2023. He commended Canyon Lake residents for their attendance at the recent POA board meeting and noted many had concerns but also had suggestions. He encouraged residents to attend the upcoming public safety workshop.

Council Member Castillo announced there would be a bench dedication for Karen Bevans on July 14, 2023, which was put together by the Canyon Lake Family Matters Club and the Canyon Lake Veterans and First Responders Group, along with donations from the community. She noted National Night Out would take place on August 1 in the Towne Center.

Mayor Pro Tem Welty stressed sharing the road for safety. He stated that Vector Control was finding cases of West Nile virus and to use bug spray and wear long shirts. He further stated he attended a SCAG energy meeting on water resiliency. Lastly, he attended the Honoring the Elected meeting where Congressman Ken Calvert spoke about water tunnels to Southern California.

Council Member Dain stated she was proud to attend the inaugural Senior Legacy Awards where Kathy Barbay was honored. She attended the Southwest Riverside County Women's Elected lunch and noted they are working on ideas to bring higher education to the region. She stated plans for the 9/11 memorial event were underway and thanked first responders for July 4th coverage.

Mayor Smith stated he attended the RCTC meeting and shared that the freeway service patrol, in partnership with the Highway Patrol and Caltrans, has assisted over 1 million vehicles in Riverside County in the last 30 years. He spoke about a Forbes Magazine article which discussed the City of London and how bikes outnumber cars and noted they are looking at ways to govern bikes. Mayor Smith further announced that RTA is continuing unlimited ride services for college students. He provided a Canyon Lake real estate update and spoke about the bench dedication for Karen Bevans and the upcoming cornhole championship tournament.

CONSENT CALENDAR

Motion and second by Council Member Dain/Mayor Pro Tem Welty to approve Consent Calendar Items 1-4.

Motion carried 5-0, with Council Member Castillo, Council Member Dain, Council Member Terry, Mayor Pro Tem Welty, and Mayor Smith voting aye.

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Approve Claims and Demands of the City

Action taken: The City Council adopted Resolution No. 2023-29 Approving Claims and Demands of the City.

- (3) Approval of City Council Minutes

Action taken: The City Council approved the Minutes of the City Council meeting of June 14, 2023.

- (4) Adopt a Resolution Authorizing Participation in the County of Riverside's Urban County Programs for Fiscal Years 2024-2025, 2025-2026 and 2026-2027

Action taken: The City Council adopted Resolution No. 2023-30 authorizing participation in the County of Riverside's Urban County Program for Fiscal Years 2024-2025, 2025-2026 and 2026-2027 and directed the Mayor to execute the Cooperation Agreement on behalf of the City.

PULLED CONSENT CALENDAR ITEMS

None.

PUBLIC HEARINGS

None.

BUSINESS ITEMS

- (5) Receive and File the Citizens Trust Review of the City of Canyon Lake Investment Portfolio

Representatives of Citizens Trust provided a presentation.

There were no public comments.

Action taken: The City Council received and filed the Citizens Trust review of the City of Canyon Lake investment portfolio.

- (6) Adopt a 5-Year Capital Improvement Program (CIP) for Fiscal Year End 2024 through 2028

City Manager Dailey provided a presentation.

There were no public comments.

Mayor Pro Tem Welty noted the CIP puts the City in a position to take advantage of grant funding and thanked Staff for putting the program together.

Council Member Castillo noted Staff did a great job in identifying areas of improvement and the City will see the fruits of the program very quickly.

Discussion ensued regarding the value of putting a dock across from the fire station. Mayor Smith stated there is a need for the dock and suggested the City should consider steps to move forward with it.

Council Member Dain stated she appreciated the work on the CIP and it is exciting to have a plan that makes sense and the ability to make changes when needed.

Motion and second by Mayor Pro Tem Welty/Council Member Terry to approve and adopt the proposed 5-Year Capital Improvement Program (CIP) for Fiscal Years End 2024 through 2028.

Motion carried 5-0, with Council Member Castillo, Council Member Dain, Council Member Terry, Mayor Pro Tem Welty, and Mayor Smith voting aye.

- (7) Designation of a Voting Delegate and Alternate(s) for the League of California Cities 2023 Annual Conference and Expo Annual Business Meeting

City Clerk Garcia provided a presentation.

There were no public comments.

Action taken: The City Council designated Mayor Pro Tem Welty as the delegate and Council Member Terry as the alternate for the League of Cities 2023 Annual Conference and Expo Annual Business Meeting and authorized the Mayor to affirm the action of the City Council.

(8) Discussion and Direction Regarding the City's Weed Abatement Procedures (Mayor Smith)

Introduction by Mayor Smith.

Code Enforcement Supervisor Ruby Manzano and Chief LaTendresse provided a presentation on the City's weed abatement and enforcement processes.

Mayor Smith stated he had received complaints from residents about weeds and a new ordinance was needed.

There were no public comments.

Action taken: Direction was given to Staff to prepare and bring back for consideration a revised weed abatement ordinance.

CITY MANAGER COMMENTS

City Manager Dailey thanked Staff for their assistance while she was on vacation. She noted the City was in the process of preparing a community survey.

ANNOUNCEMENTS

Mayor Smith announced the City Council would be dark for the month of August with the next regular City Council meeting being held on Wednesday, September 13, 2023.

ADJOURNMENT

At 8:56 p.m., Mayor Smith adjourned the meeting.

Respectfully submitted,

Sheryl L. Garcia, MMC, CPM
City Clerk



ITEM NO. 4

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

DATE: September 13, 2023

SUBJECT: Report of Expenditure of American Rescue Plan Act Funds

Recommendation

Receive and file.

Background

Pursuant to Resolution No. 2022-14 adopted on March 2, 2022, the City Council authorized the City Manager to execute contracts and contract amendments in amounts not to exceed \$150,000 per contract or amendment in order to implement the programs established by the City Council utilizing American Rescue Plan Act (“ARPA”) funds. The Resolution provides that the City Manager report on any contract or contract amendment executed in excess of \$50,000 to the City Council at its next regularly scheduled meeting.

Discussion

As such, the City has previously executed and completed work with the following contractors:

- Cotter Construction for Bathroom Remodels at the Fire Station in the amount of \$82,000.
- Cotter Construction for Repairs to 31542 Railroad Canyon Road including drywall repairs, lighting repairs, and exterior painting in the amount of \$50,000.
- Lawrence Doors for three new front station doors in the amount of \$53,998.29.

Fiscal Impact

There is no fiscal impact associated with this report out. Funds were previously budgeted and approved as part of the Fiscal Year 2023-2024 Annual Operating Budget as part of the ARPA Work Program.

Attachments

None.



ITEM NO. 5

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Mike Borja, Administrative Services Director
Brianna Hemsley, Executive Assistant/Analyst

DATE: September 13, 2023

SUBJECT: Adopt a Resolution Authorizing Submittal of Application(s) for All CalRecycle Grants for which the City of Canyon Lake is Eligible

Recommendation

Adopt Resolution No. 2023-33 authorizing submittal of application(s) for all CalRecycle grants for which the City is eligible and designate the City Manager signing authority for all related CalRecycle documents.

Background

The California Department of Resources Recycling and Recovery (CalRecycle) offers funding authorized by legislation to help public and private entities create circular waste systems. This includes various grant programs in furtherance of the State's efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment.

As part of these programs, CalRecycle is required to establish procedures governing the application, awarding, and management of these grants. This includes requiring applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

Discussion

City staff has been directed to regularly monitor and identify new funding opportunities that align with the City Council's goals and the City's Annual Operating and Capital Improvement Budgets.

Most recently, staff identified two CalRecycle grant programs of interest including the CalRecycle Household Hazardous Waste grant for small projects and the Rubberized Pavement Grant Program.

Household Hazardous Waste Grant (Small Projects)

On August 15, 2023, the Canyon Lake Fire Department applied for CalRecycle's Household Hazardous Waste Grant (HHW Grant) for \$49,928 to establish and operate a new battery disposal program for the next three years. The requested funds would cover the costs associated with sorting, delivery, and disposal of all collected waste including personnel costs.

The program proposes to place collection containers at Fire Station 1 to allow residents to conveniently dispose of single-use and rechargeable batteries. If awarded, the Department would create public outreach materials to raise awareness about these new services and ensure residents are informed about the battery disposal program and its benefits.

Awards for this grant are expected in December/January. CalRecycle can partially fund or fund individual phases of selected proposals and may fund an amount less than requested. If awarded, the HHW grant period would last for three years until February 26, 2027.

Rubberized Pavement Grant Program

In July 2023, the City Council approved a Capital Improvement Program which included a list of planned capital projects. One of the projects was the ongoing maintenance of Railroad Canyon Road including a future paving project. This project is scheduled to take place in the fiscal year 2025/2026. As part of this project, staff intends to explore rubberized asphalt options to help reduce road noise by up to 50 percent.

CalRecycle is now accepting applications for its annual Rubberized Pavement Grant Program, which provides up to \$250,000 in funding based on the tonnage needed for a roadway project. Staff are working with Interwest to apply for this program to offset some of the costs for the future Railroad Canyon Road Paving Project. Applications are due September 13, 2023. CalRecycle conditionally awards grants in December 2023. The Notice to Proceed would be issued April 1, 2024, with two years to spend funds and finalize the project.

CalRecycle Requirements

As part of the grant process, CalRecycle requires that the City adopt a resolution authorizing the submittal of applications for CalRecycle grants and designating Signature Authority to sign all related CalRecycle documents related to the grant such as the grant application and/or grant agreements. The attached resolution authorizes the submittal of applications for all CalRecycle Grants for which the City of Canyon Lake is eligible. This authorization is proposed for five years from the date of adoption of this Resolution and includes designating signing authority to the City Manager.

Fiscal Impact

None. If awarded these grants, the City could receive funding toward future projects at the discretion and approval of CalRecycle.

Attachments

1. Resolution No. 2023-33

ATTACHMENT 1

RESOLUTION NO. 2023-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANTS FOR WHICH THE CITY OF CANYON LAKE IS ELIGIBLE

WHEREAS, Public Resources Code sections 48000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant programs (grants) in furtherance of the State of California’s (state) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. That the City of Canyon Lake authorizes the submittal of application(s) to CalRecycle for all grants for which the City of Canyon Lake is eligible.

Section 3. That the City Manager, or his/her designee, is hereby authorized and empowered to execute in the name of the City of Canyon Lake all grant documents, including but not limited to, applications, agreements, amendments, and requests for payment, necessary to secure grant funds and implement the approved grant project; and

Section 4. That these authorizations are effective for five years from the date of adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2023.

Jeremy Smith, Mayor

ATTEST:

Sheryl Garcia, CMC
City Clerk



ITEM NO. 6

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Brianna Hemsley, Executive Assistant/Analyst

DATE: September 13, 2023

SUBJECT: Adoption of an Environmentally Preferable Purchasing and Practices (EPPP) Policy

Recommendation

Adopt Resolution No. 2023-34 Adopting an Environmentally Preferable Purchasing and Practices (EPPP) Policy.

Background

California's Department of Resources Recycling and Recovery (CalRecycle) offers funding authorized by legislation to help public and private entities create circular waste systems including various grant programs, payments, and loans. To apply and receive grant funding from CalRecycle, the City must have an EPPP Policy in place.

Establishing an EPPP policy demonstrates the City's support for purchasing recycled and environmentally preferred products, when feasible, and considering the implementation of programs that will divert waste from landfill to minimize environmental impacts relative to the community. The City recognizes such actions can make a difference in favor of environmental quality, public health, and safety. This policy is an effective way to direct City staff to procure environmentally preferable products and establish related services, when possible.

Discussion

On August 15, 2023, the City staff applied for a household hazardous waste grant through CalRecycle and intends to apply for CalRecycle's Rubberized Pavement Grant Program. Since the City did not have an EPPP Policy in place prior to submitting its application for the Household Hazardous Waste Grant, the City must certify to the fact that a policy will be adopted by September 14, 2023. Failure to do so would deem the application incomplete and the City would be disqualified.

In order to comply with the requirements of the Household Hazardous Waste Grant, Rubberized Pavement Grant Program, and any other future grants from CalRecycle, staff recommends City Council adopts the resolution officially establishing an Environmentally Preferable Purchasing and Practices (EPPP) policy for the City that supports the purchase of recycled and environmentally preferable products, when feasible.

Fiscal Impact

None.

Attachments

1. Resolution No. 2023-34

ATTACHMENT 1

RESOLUTION NO. 2023-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADOPTING AN ENVIRONMENTAL PREFERABLE PURCHASING AND PRACTICES POLICY

WHEREAS, the City of Canyon Lake recognizes the significance of environmental stewardship to promote and support a diverse community and economy; and

WHEREAS, the City recognizes that its purchasing decisions have a direct impact on the surrounding environment and its residents; and

WHEREAS, the U.S. Environmental Protection Agency has determined that recycling hazardous waste reduces air, water, soil pollution, and emissions of greenhouse gases (GHGs); and

WHEREAS, environmental preferable purchasing and practices contribute to protecting natural resources, and minimizes the City's contribution to pollution and solid waste; and

WHEREAS, the implementation aligns with the City Council's sustainability goals; and

WHEREAS, it is the City's intention to consider short- and long-term costs in comparing product alternatives, prioritizing the purchase of durable, refillable, and long lasting products; and

WHEREAS, the City aims to encourage waste diversion through beneficial reuse and recycling; and

WHEREAS, the health and safety of staff and residents is of utmost importance; and

WHEREAS, the City Council wishes to adopt the environmentally preferable purchasing and practices policy.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby adopts and establishes the EPPP policy attached hereto as Exhibit “A” and incorporated herein as though set forth in full.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2023.

Jeremy Smith, Mayor

ATTEST:

Sheryl Garcia, MMC, CPM
City Clerk

EXHIBIT “A”

City of Canyon Lake Environmentally Preferable Purchasing Policy

Section 1. Purpose. This policy will support the City’s commitment to sustainability with the goal of ensuring the services and products procured eliminate or reduce potential release of pollutants into the natural environment. In addition, it will maximize recyclability and recycled content with the goal of creating a lasting and scalable impact on the environment.

Section 2. Definitions. Unless the context indicates otherwise, the following terms shall be defined as follows:

Environmentally Preferable Products and Services: Preferred products or services that reduce the negative impact and effect on the environment while serving the same purpose.

Post Consumer Recovered Materials: A product that has served its purpose and fulfilled its life cycle as a consumer item. Normally, these products are disposed of as solid waste.

Recyclable Product: A product that has reached its life cycle and is made from material which a curbside or drop-of collection facility can manufacture a new product from the collected recycled material.

Reusable Product: A product, such as a washable food or beverage container or a refillable ballpoint pen, that can be used several times for its intended use before being discarded.

Sustainable Purchasing: Purchasing materials that reflect the City’s environmental stewardship and fiscal responsibility.

Performance: The efficacy of a product, material, or service to accomplish its intended task or job

Practicable: Satisfactory in performance and available at a fair and reasonable price.

Section 3. Organizations Affected. All City departments and offices that make purchases of goods and services, or that contract with others to make purchases.

Section 4. Policy.

- a) The City shall:
 1. Examine and consider opportunities that allow residents to participate in fiscally responsible waste reduction.
 2. Consider a product’s life cycle and environmental factors before the purchasing of products or services.

3. Use products and services, when feasible, that have the least damaging and most beneficial impact on the environment.
 4. Implement services that have a scalable impact on the surrounding environment including, but not limited to the collection of recycled material and educational outreach.
- b) Staff will recognize and consider the implementation of products and services that will divert waste from landfills or illegal disposal.
 - c) To the extent feasible, Staff will comply with applicable environmental legislative and regulatory requirements in the procurement of products and services.
 - d) The City will raise staff awareness regarding environmental issues affecting procurement by providing relevant information to City staff.
 - e) The City will strive to partner with facilities who are insured and EPA certified.
 - f) The City will develop and maintain information about environmentally preferable products.
 - g) Fiscal factors to be considered include but are not limited to:
 1. Lowest total cost.
 2. Impact on staff time and labor.
 3. Long-term financial/market changes.
 4. Technological advances in a rapidly changing market.

Section 5. Procedures and Responsibility.

- a) City Staff will be responsible for:
 1. Encouraging pilot testing for environmentally preferable/sustainable products.
 2. Consulting with the appropriate departments regarding technical and performance specifications of products in those situations where a department has specific expertise in the use of a product or the establishment of a product's performance specifications.
 3. Identify opportunities to educate end users about the impacts of their product choices.

Section 6. Source Reduction.

- a) Procurement activity may include:
1. Practices that reduce waste, resulting in the purchase of fewer products whenever practicable and cost-effective, but without reducing safety or workplace quality.
 2. Purchase products that are durable, long lasting, reusable, or refillable.
 3. Request that vendors eliminate packaging or use the minimum amount necessary for product protection to the greatest extent practicable.
 4. Reuse pallets and packaging materials.
 5. Require that all equipment bought after the adoption of this Policy, when practicable, be compatible with products and services that provide source reduction benefits.

Section 7. Recycled Content Products. The City will consider making investments to develop successful recycling programs. The city recognizes that recycled content products are essential to the continuing viability of that recycling system and for the foundation of an environmentally sound production system.

- a) Procurement activity may include:
1. Products for which the United States Environmental Protection Agency has established minimum recycled content standard guidelines – such as printing paper, office paper, janitorial paper, construction, landscaping, transportation, vehicles, and non-paper office products – and which contain the highest post-consumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines.
 2. Re-refined lubricating and industrial oil for use in vehicles and other equipment if the product is certified by the American Petroleum Institute as appropriate for use in such equipment.
 3. Rubberized asphalt, asphalt concrete, aggregate base or portland cement concrete for road construction projects that contains recycled, reusable, or reground material.
 4. Recycled content transportation products including signs, cones, parking stops, delineators, and barricades.
 5. Diverting waste tires from landfill disposal by applying for future rubberized pavement grants for future roadway projects.

6. Safe recycling of household hazardous waste including, but not limited to: single-use batteries, rechargeable batteries, and electronic waste.

Section 8. Monitoring. City staff shall prepare a summary each calendar year of the City's environmentally responsible/sustainable purchasing actions and for evaluating the effectiveness of these actions in reducing the environmental impacts of City procurement. City staff will work with other departments to collect data for performance tracking and evaluations of the City's environmentally responsible purchasing program.

Section 9. Priorities.

- a) Ensure the health and safety of workers and residents.
- b) Support the economy by purchasing goods and services from local vendors.
- c) Procure goods and services that are environmentally friendly without compromising cost or quality.
- d) Comply with all local, state, and federal laws that govern the City's procurement activity.



ITEM NO. 7

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Kayla Malin, Accountant and Human Resources Specialist

DATE: September 13, 2023

SUBJECT: Approval of Joinder Application and Agreement with the Peace Officers Research Association of California (PORAC) to Establish a Retiree Medical Trust Medical Expense Reimbursement Plan for the Canyon Lake Firefighters Association

Recommendation

Approve and authorize the City Manager to execute a Joinder Application and Agreement with the Peace Officers Research Association of California (PORAC) to Establish a Retiree Medical Trust Medical Expense Reimbursement Plan for the Canyon Lake Firefighters Association.

Background

Earlier this year, the City Manager met with, and proposed compensation increases and changes for the Canyon Lake Fire Department. In June 2023, the City Council agreed to such changes as part of the budget as proposed for Fiscal Year 2023-2024 for all hourly and paid employees of the Canyon Lake Fire Department.

As part of these discussions, the City agreed to implement a new Retiree Medical Trust Medical Expense Reimbursement Benefit Plan through PORAC to assist eligible firefighters with any medical expenses that they might incur in the future (“Plan”). This Plan is a funding vehicle in which the employee/employer can deposit money while they are working to pay for medical expenses after they retire. The Plan is a tax-free vehicle to help retirees meet the rising cost of healthcare. Further, the Plan uses investment professionals to invest these pooled contributions carefully and skillfully.

Discussion

All firefighters who are current members of the Canyon Lake Firefighters Association are eligible for the Plan. Eligible firefighters who are currently employed with the City will be vested after 5 years of contributions. Firefighters hired after execution of the Joinder Application and Agreement will not be eligible for membership in the Retiree Medical Trust until they have been employed with the City for at least one year and will not be vested until they have reached 10 years of contributions.

Starting this fiscal year, the City will contribute \$25 per pay period for each eligible firefighter. Beginning in year two, the City's contribution will increase to \$50 per pay period for each eligible firefighter.

Looking ahead, the City may consider other ways to increase contributions including increasing the monthly contribution amount and/or the transfer of sick/vacation leave.

Fiscal Impact

For Fiscal Year 2023-24, the cost is \$4,500 and will require a FY 2023-24 Budget Adjustment in Account 10-421-6080.

Attachments

1. Joinder Application and Agreement

ATTACHMENT 1



PORAC RETIREE MEDICAL TRUST

Medical Expense Reimbursement Plan

Administered by Vimly Benefit Solutions, Inc.

PO BOX 6 • Mukilteo, WA 98275

P: 877-808-5994 • F: 866-676-1530

• E: PORAC@vimly.com W: <https://porac.simon365.com>

JOINDER APPLICATION AND AGREEMENT

(In-state)

1) Association Information.

- a. Association Name: _____
- b. Contact Name and Position: _____
- c. Contact Phone: _____
- d. Contact Email: _____
- e. Association Address: _____
- f. Association Phone: _____
- g. Association Email: _____
- h. Association Fax: _____

(2) Receipt of Trust Documents. We, the undersigned Association and Employer, have received a copy of the “Trust Agreement Governing the PORAC Retiree Medical Trust,” restated effective January 1, 2022, as amended thereafter (the “Trust Agreement”), and the “Medical Expense Reimbursement Plan of the PORAC Retiree Medical Trust,” restated effective January 1, 2022, as amended thereafter (the “Plan”). We understand the Plan provides medical expense reimbursement benefits to retirees.

(3) Request to Join. We hereby request that employees represented by the _____ (the “Association”), and hired by _____ (the “Employer”), will be participating employees in the Plan (the “Employees”). In consideration of the granting of this request, we hereby agree to be bound by the terms, conditions, and provisions of the Trust Agreement and the Plan. We further agree to comply with reasonable requests for information from the Trust Office for its recordkeeping purposes.

(4) Contribution Rate (must be at least \$100, and a multiple of \$25).

- a. Monthly Contribution.
 - i) Rate. The monthly or per pay period (*circle one*) contribution rate of \$_____ per Employee is set forth in Section _____ of the _____ (title of memorandum of understanding, or other written agreement (in either case, the “MOU”)). We understand that the contribution rate must be at least \$100, and a multiple of \$25, per employee per month. The Employer acknowledges that contributions are due in one aggregate payment (no split payments) no later than 30 days from

the payroll date for which the contributions are being paid (i.e., if the contributions are for the July 15 payroll date, contributions will be paid no later than August 15). However, if the Employer also contributes any transfers of sick/vacation leave pursuant to Section 4b hereof, the Employer may remit the payment of that leave transfer in a separate payment subject to all other requirements of the MOU and this Joinder Application and Agreement (i.e., timing of payments, contribution reports).

ii) Copy of Memorandum of Understanding (MOU). Attached is a true and complete copy of that MOU, effective from _____ to _____, authorizing mandatory contributions to the Trust. If the contribution amount or other terms of the MOU, related to the Trust contributions, are changed, the Association will send the Trust a copy of the new MOU, side letter, etc., prior to the effective date.

b. Transfer of Sick/Vacation Leave.

i. Sick Leave. There **is / is not** (circle one) a provision in the MOU regarding a mandatory sick leave contribution to the Trust, at Section _____. If so, the Employer agrees to transfer _____% of sick leave on behalf of each Employee **at retirement**; and/or

_____ % of sick leave on behalf of each Employee **annually**.

(a) Timing of transfer after retirement. Employer will transfer the accumulated sick leave at retirement within sixty days of the date of retirement, accompanied by the name of the employee to whom it should be attributed.

(b) Timing of transfer of annual leave. Employer will transfer the annual accumulated sick leave within sixty days of the date that the leave transfer is due to the employee under the terms of the current MOU, accompanied by a list of employees to whom it should be attributed.

ii. Vacation Leave. There **is / is not** (circle one) a provision in the MOU regarding a mandatory vacation leave contribution to the Trust, at Section _____. If so, the Employer agrees to transfer:

_____ % of vacation leave on behalf of each Employee **at retirement** and/or

_____ % of vacation leave on behalf of each Employee **annually**.

Timing shall be the same as for transfer of Sick Leave stated in Sec 4bi above.

c. If there are any other provisions in the MOU that relate to the Trust, list them here.

(5) Mandatory Contributions. *We certify that contributions will be made on all Employees in the bargaining unit or other defined class, and Employees may not individually elect against participation in the Plan, nor may any Employee individually elect the level of his or her contributions. If the class of employees is less than the entire bargaining unit, that must be defined in the MOU.*

(6) Delinquency. We acknowledge that the Trust Agreement contains provisions regarding pursuit of delinquent contributions, and we will cooperate with the Trustees in said proceedings.

(7) Employer Initial Data to Trust Office. Along with this Joinder Application and Agreement, the Employer agrees to electronically submit to the Trust Office a complete list of the names, addresses, email addresses, and other identifying information requested by the Trust Office for all Employees on whom contributions are made, as of the Effective Date (as defined below), using a format approved by the Trust. The Employer shall send updates to this information to the Trust Office whenever the Employer has notice of changes to the information included in the report required pursuant to this Section 7.

(8) Contribution Reports. Employer agrees to electronically submit to the Trust Office a monthly or per pay period (*circle one*) report of all Employees on whom contributions are made within five (5) days of the date of each contribution payment. This contribution report shall be submitted in a format approved by the Trust. The Contribution Report required under this Section 8 must include the total amount of each contribution payment for each Employee, and in the aggregate, and the identifying information of each Employee, as required by the Trust Office, which at minimum, shall include, but is not limited to:

- (A) each employee's first and last name, date of birth, Social Security Number (or last four of Social Security Number), and contact information (phone number, email address, mailing address);
- (B) each employee receiving a transfer of leave funds to the Trust and the amount received on behalf of each employee; and
- (C) date of hire, and separation date, and the reason that an employee was dropped off of the contribution report, (e.g., involuntary termination, voluntary termination, retirement, resignation, promoted out of bargaining unit, leave without pay).

If the Employer fails to send the Contribution Reports pursuant to the terms of this Section 8, the Trust may reject acceptance of the Employer's contributions made under this Joinder Agreement and/or the Trust may terminate the Employer's participation in the Trust.

(9) Employer Information. (Please advise the Trust Office within 30 days of any changes to the information below.)

- a. Employer Name: _____
- b. Contact Name and Position: _____
- c. Contact Phone: _____
- d. Contact Email: _____
- e. Employer Address: _____

(10) PORAC Membership. The Association acknowledges the following conditions to participation in the PORAC Retiree Medical Trust: a) It must be a member Association of PORAC, or have PORAC Limited Membership, which is in good standing; b) The Association must pay PORAC dues, directly to PORAC (not to the Trust), on all members of the bargaining unit; c) PORAC membership fees do not count toward Active Service Units in the Plan and need to be paid timely in order for the Trust Office to accept contributions; and e) PORAC membership fees are nonrefundable.

(11) Limitation of Liability. The Association, Employer and Trust acknowledge the following provision in Article XI, Sections 1 and 2, of the Trust Agreement regarding limitations on the liability of the participating parties:

“1. Liabilities and Debts of Trust Fund

No signatory party or Trustee, and no participating employer, employer association, labor organization, employee, or beneficiary shall be responsible for the liabilities or debts of the Trust Fund.

2. Liabilities and Debts of Participating Parties

No participating employer, employer association, or labor organization shall become responsible by reason of their participation in the Trust Fund for the liabilities or debts of any other participating employer, employer association, or labor organization.

Except for any obligation to make contributions to the Trust pursuant to a Special Agreement or Subscription Agreement, a participating employer shall have no obligation to provide benefits to which its employees may be entitled under a collective bargaining agreement to the extent that those benefits are provided under a plan funded through the Trust. A participating employer shall not be a fiduciary of the Trust or any employee benefit plan funded through the Trust, and shall have no responsibility or liability for Trust investments or the income tax treatment of Trust earnings or benefits provided under such plan”

(12) Effective Date. This Joinder Agreement shall become effective as of the date of last signature below (the “Effective Date”); provided, however, that contributions will be accepted as provided in the MOU, subject to compliance with this Joinder Agreement, and provided further, that the Trust is not obligated to accept more than three months’ worth of retroactive contributions. Any further retroactive contributions may be subject to terms and conditions imposed by the Trustees, including, for example, lost interest or administrative fees.

(13) Pooled Sharing of Risk and Costs. We acknowledge that: a) the Trustees pool all contributions (provided, however, that the Trust will maintain a separate record per Employee of the transfer of sick leave and vacation leave, or for Employees who fail to meet the years of service requirement); b) that the Trust and Plan operate based on a multiple employer basis, sharing costs and risk between all participants, and not based only on the Employees of one employer; and c) that the monthly benefit levels will be set based on actuarial projections for the entire Trust population, and not only for the Employees.

(14) Termination. This Joinder Agreement shall remain in effect unless terminated in accordance with the terms of the Trust Agreement. Written notice of termination must be received by the non-terminating party prior to the first day of the month in which participation is to be terminated. In addition, if the Employer terminates its participation in the Trust in accordance with the Trust’s terms, the Employer’s participation in this Joinder Agreement will cease upon the effective date of that termination. Employer shall not be entitled to a refund of contributions if the Employer terminates its participation in the Trust.

For ASSOCIATION:

Joining Association

Association President (*Print Name*)

Date

Association President (*Signature*)

For EMPLOYER:

Employer

Employer Representative (*Print name*)

Date

Employer Representative (*Signature*)

Contact person at Employer's office:

Contact person at Association:

(*Name and Title*)

(*Name and Email Address*)

(*Phone and Email*)

(*Association Phone*)

Approved and Accepted by:
PORAC RETIREE MEDICAL TRUST

Date

Trust Administrator (*signature*)

Print name and title

Please send this Agreement to:
PORAC Retiree Medical Trust Office
c/o Vimly Benefit Solutions, Inc.
P.O. Box 6
Mukilteo, WA 98275

Phone number: (877) 808-5994
Fax: (866) 676-1530
Email: PORAC@vimly.com
Web: <https://porac.simon365.com>



ITEM NO. 8

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Jim Morrissey, City Planner

DATE: September 13, 2023

SUBJECT: Approve the Second Amendment to the Professional Services Agreement with Rincon Consultants, Inc. for 6th Cycle Housing Element Consulting Services in the amount of \$40,566

Recommendation

Approve and authorize the City Manager to execute a Second Amendment to the Professional Services Agreement with Rincon Consultants, Inc. for 6th Cycle Housing Element Consulting Services in an amount not to exceed \$40,566.

Background

The Housing Element, as a component of the City's General Plan, was required by the State to be updated as part of the 6th Cycle process in response to State requirements established for the period June 30, 2021, to October 15, 2029. Housing Elements are required to be updated to meet identified housing needs established by the State including such provisions as ensuring adequate housing for all income groups.

Over the last several years the City of Canyon Lake has attempted, unsuccessfully, to update the Housing Element, with submittals to the California Department of Housing and Community Development (HCD) on October 11, 2021, February 15, 2022, and August 22, 2022. After each review and comment by HCD, the City undertook subsequent modifications and re-submittal to the State.

Statutory adoption time frames have been adjusted over time due to the number of jurisdictions that have had difficulty meeting the latest State adoption requirements. The City has maintained ongoing communication with HCD regarding our progress to date on the Housing Element.

Discussion

As part of the latest attempt to update the Housing Element, staff started to contact planning consultants in December 2022. In total seven consultants were contacted, with only a few replies. In April 2023, the City was referred to Rincon Consultants, who expressed an interest

and the expertise needed to update and certify the City's Housing Element.

Initial Assessment

On June 14, 2023, the City entered into a Professional Services Agreement with Rincon for \$9,734.00, to undertake a preliminary assessment of the work effort necessary to update the Housing Element (Phase 1) successfully. Their report was provided to staff on July 20, 2023, and described efforts related to the following major topical categories:

- Assessment of Fair Housing
- Site Inventory and Analysis
- Governmental Constraints
- Housing Programs

Subsequent and Projected Work Efforts

Based upon this initial assessment (Phase 1) of existing materials and contact with Staff at HCD, Rincon has outlined the additional work required to complete a Revised Housing Element (Phases 2 and 3). Some of these activities involve verification of prior data, revising/re-explaining the previously provided information, responding to various items listed in the HCD letters, and clarification of past public outreach/informational meetings.

- Data Gaps Analysis: Identify and outline any data deficiencies/gaps, additional analysis, and engagement efforts.
- Review of Past Accomplishments: Revise the existing Review of Past Accomplishments section in response to HCD's comment letters, in compliance with State Housing Element law and HCD's Completeness Review Checklist.
- Revise Housing Needs Assessment: Revise the existing Housing Needs Assessment section to analyze extremely low-income households, at-risk projects, and trends in housing costs.
- Revise Housing Resources and Site Inventory: Revision efforts will focus primarily on providing additional supporting analysis of sites within the Towne Center Specific Plan.
- Revise Housing Constraints Analysis: Revise and expand, with additional analysis, on persons with disabilities, fees and exactions, development standards, and emergency shelter capacity, and constraints to housing development, particularly for special needs populations.
- Revise Assessment of Fair Housing: Revise materials based upon updated data using the HCD's Affirmatively Furthering Fair Housing (AFFH) data viewer, including such items as factors on race, enforcement and outreach, and integration and segregation patterns, and trends.
- Revise Description of Public Participation: Revise the description of public participation conducted to date, the time allowed for input, and whether additional outreach should be taken to meet HCD requirements.

Once various components have been analyzed and updated then any necessary updates to the policy portion of the document to respond to those identified needs/findings can be completed and along with re-submittal to the State, as noted in the following tasks:

- Revise Housing Plan: Revise existing goals, policies, and programs, as necessary, and identify and recommend any new programs, focusing on expanding programs related to affordable housing, persons with special needs, and incorporating meaningful actions related to fair housing. This may include additional public outreach and participation, and formal adoption by the City Council in the spring of 2024.
- Submittal of Revised Adopted Housing Element: Submit revised materials to HCD for their review and comment.
- HCD Review and Revision: Undertake any necessary revisions based upon HCD review and adopt a Revised Housing Element upon receipt of HCD comments following the mandatory 60-day review.

Phased Work Effort

As mentioned, Rincon has already completed Phase 1 of the Housing Element update, which consisted of coordination with HCD and a full assessment of the Housing Element. On August 24, 2023, the City and Rincon executed a First Amendment to the Agreement in the amount of \$38,646.00 for Phase 2, which would allow Rincon to continue moving forward on the Revised Housing Element. Both agreements were within the \$50,000 spending limit authorized for the City Manager and allowed Rincon to move forward with the City's efforts while also demonstrating to HCD that the City is committed to revising and resubmitting its Housing Element as quickly as possible.

With the execution of the First Amendment, the City Manager's spending limit has been reached (\$9,734.00 first initial phase + \$38,646 second phase = \$48,380.00). Staff are now seeking to enter a Second Amendment in the amount of \$40,466.00 to complete the third and final phase of work to swiftly complete required changes to the Housing Element for submittal, and eventually approval, from HCD. The total compensation for all three phases amounts to an estimated cost of \$89,079.75.

Activities planned in each phase are shown in Attachment 1 Exhibit A. All efforts will be made to minimize costs where possible. Rincon has proposed a schedule that suggests a Revised Housing Element would be submitted for HCD review within about four months and readoption of the Housing Element update within approximately 9 months. If successful, the City could expect HCD certification by summer 2024.

Fiscal Impact

The total proposed cost for the Second Amendment is \$40,466 with an overall agreement cost for all three phases of \$89,079.75. Funding for this project has been allocated in the Fiscal Year 2023/24 Annual Operating Budget.

Attachments

1. Second Amendment to Professional Services Agreement
2. Phase 1 Assessment

ATTACHMENT 1

**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
FOR 6TH CYCLE HOUSING ELEMENT UPDATE CONSULTING SERVICES
BETWEEN THE CITY OF CANYON LAKE AND RINCON CONSULTING, INC.
(PHASE 3)**

This Second Amendment to the Professional Services Agreement for 6th Cycle Housing Element Update Consulting Services (“Second Amendment”), is made and entered into this 13th day of September 2023 (“Effective Date”) by and between the City of Canyon Lake, a California municipal corporation (“City”), Rincon Consulting, Inc., a California corporation (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on June 14, 2023, the City and Consultant entered into an Agreement for phase 1 6th Cycle Housing Element Update Consulting Services (“Agreement”); and

WHEREAS, on August 24, 2023, the City and Consultant entered into a First Amendment to the Agreement for phase 2 6th Cycle Housing Element Update Consulting Services (“Agreement”); and

WHEREAS, the Parties desire to amend the scope of services and compensation of the Agreement to allow for ongoing consultation services for phase; and

WHEREAS, for the reasons set forth herein, the Parties desire to enter into this Second Amendment and have agreed to amend the Agreement as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, it is agreed the aforesaid Agreement and First Amendment, copies of which are attached hereto as Attachment “1” and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

1. Section 2, Scope of Services is revised to replace the existing Exhibit “A” in its entirety with the revised Exhibit “A” attached hereto.
2. Section 4, Compensation, is hereby amended to a not to exceed amount of \$40,566.00.
3. The existing Exhibit “B” Compensation is replaced in its entirety with the revised Exhibit “B” attached hereto.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Agreement as of the Effective Date.

CITY OF CANYON LAKE

RINCON CONSULTANTS, INC.

By: _____
Nicole Dailey, City Manager

By: _____
Brenna Weatherby, Principal

ATTEST:

By: _____
Sheryl L. Garcia, City Clerk

APPROVED AS TO FORM:

By: _____
Steven Graham, City Attorney

**EXHIBIT “A”
SCOPE OF SERVICES**

[To be attached]



August 10, 2023
Rincon Project No. 23-14602

Jim Morrissey, City Planner
City of Canyon Lake
31516 Railroad Canyon Road
Canyon Lake, California 92587
Via email: jmorrissey@canyonlakeca.gov

Subject: Proposal for City of Canyon Lake 6th Cycle Housing Element Update

Rincon Consultants appreciates the opportunity to submit this proposal to assist the City of Canyon Lake with revising the adopted 6th cycle Housing Element update. We have assembled a team of highly skilled planning and housing professionals with extensive experience with both the technical and policy aspects of Housing Element updates. We are proud of our team's ability to work effectively with City staff, decision-makers, and the California Department of Housing and Community Development (HCD) to develop innovative approaches and solutions to prepare a substantially compliant Housing Element.

Rincon has completed Phase 1 of this Housing Element update, which consisted of coordination with HCD and a full assessment of the housing element. The enclosed scope of work describes scope of work services, a cost estimate, and a project schedule for Phases 2 and 3 of the Housing Element Update. Rincon's scope of services is fully negotiable to ensure the proposal meets the City's needs for this work effort.

Project Understanding

On August 8, 2022, the City Council approved Resolution No. 2022-47 approving Amendment 22-02 for adopting the Revised Draft Housing Element, which was submitted to HCD on August 22, 2022. HCD provided a comment letter dated October 18, 2023, with a list of revisions necessary to comply with state housing law. Rincon has provided consultant services to determine the best approach to address HCD's comments on the adopted Housing Element. This proposal is for the preparation of revisions to the adopted Housing Element to address HCD comments.

Scope of Work

The scope of work described below is based on Rincon's experience both preparing and revising previously drafted 6th cycle Housing Element updates, taking into account a reasonable, likely course of action. The scope of work also builds upon our extensive planning experience in the SCAG region and previous review of HCD comment letters and relevant City documents. Unforeseen or unusual circumstances that may occur could alter the scope of work and require additional coordination, data gathering, and analysis. Rincon cannot guarantee the response of the decision-making agencies or the outcome of their actions nor can Rincon guarantee if and/or when HCD will find the Housing Element to be substantially compliant with State law. This scope of work is not intended to offer or



constitute legal advice. It is recommended that City staff consult the City Attorney regarding any legal questions related to the Housing Element update.

Phase 2

Task 1 Project Management

Rincon will provide project management support, including up to 6 meetings for working sessions, timeline and status updates, and hearing preparation, quality control, and internal team coordination. As part of this task, Rincon's project manager will conduct 30-minute bi-weekly virtual meetings with City staff to proactively identify project issues, identify potential solutions, and coordinate with the team and City staff on the best course of action. Rincon will prepare and maintain a detailed project schedule to be used throughout the life of the project, highlighting key milestones and work product delivery dates.

Deliverables

- Attendance at up to 6 half-hour bi-weekly calls, along with brief agendas and action items/assignments
- Monthly invoices
- Development and ongoing maintenance of project timeline

Task 2 Housing Element Update

Rincon will revise the adopted Housing Element, building on work completed by the previous consultant. Revisions will be limited to addressing comments contained in the letters from HCD dated October 18, 2022, direction from City staff, compliance with new State law, and any other feedback received from HCD, with the goal of retaining existing content and analysis in the adopted Housing Element to the extent feasible. All revisions made to the adopted Housing Element will be shown as tracked changes.

Task 2.1 Data Gaps Analysis

Rincon will review and assess the adopted Housing Element, associated technical information, data available from regional and state governments, and other pertinent information in accordance with HCD guidance to identify data gaps. During this review, the Rincon team will identify and outline any data deficiencies/gaps, additional analysis and engagement efforts, if any, needed to support completion of the 6th cycle Housing Element. The Rincon team will provide a formal data request to help the City in compiling necessary data and documents within one week of the kick-off meeting.

Deliverable

- List of data needs (MS Word or Excel), regularly updated to reflect received data

Task 2.2 Review of Past Accomplishments

Rincon will revise the existing Review of Past Accomplishments section in response to HCD's comment letters, in compliance with State Housing Element law and HCD's Completeness Review Checklist. This section will be revised to include details of current City program outcomes accomplished during the 5th housing cycle and an assessment of the effectiveness of the City's current programs relevant to the needs of special housing needs groups. Rincon will submit a draft, red-lined revised Review of Past



Accomplishments section to the City for review. Rincon will respond to one round of consolidated City comments on the updates to the revised Review of Past Accomplishments section and will incorporate revisions in the Revised Adopted Housing Element, which will be prepared under Phase 3.

Deliverable

- Red-lined revised Review of Past Accomplishments (MS Word)

Task 2.3 Revise Housing Needs Assessment

Rincon will revise the existing Housing Needs Assessment section in response to HCD's comment letters, in compliance with State Housing Element law and HCD's Completeness Review Checklist. Rincon will revise the Housing Element to analyze extremely low-income households, at-risk projects, and trends in housing costs, pursuant to HCD's comment letter. Rincon will submit a draft, red-lined revised Housing Needs Assessment section to the City for review. Rincon will respond to one round of consolidated City comments on the updates to the revised Housing Needs Assessment section and will incorporate revisions in the Revised Adopted Housing Element, which will be prepared under Phase 3.

Deliverable

- Red-lined revised Housing Needs Assessment, and findings incorporated into other relevant sections (MS Word)

Task 2.4 Revise Housing Resources and Site Inventory

Rincon will revise the Housing Resources section and the Site Inventory in response to HCD's comment letter, in compliance with State Housing Element law and HCD's Completeness Review Checklist. Efforts will largely be focused on providing additional supporting analysis of sites within the Towne Center Specific Plan. Additionally, Rincon will work to revise site inventory maps to illustrate the updated site inventory.

Rincon will submit a draft, red-lined revised Housing Resources section and a draft revised Site Inventory to the City for review. Rincon will respond to one round of consolidated City comments on the updates to the revised Housing Resources section, figures, and the site inventory and will incorporate revisions in the Revised Adopted Housing Element, which will be prepared at under Phase 3.

Deliverables

- Revised Housing Resources analysis, and findings incorporated into other relevant sections (MS Word)
- Revised Site Inventory (Excel)

Task 2.5 Revise Housing Constraints Analysis

Rincon will revise the existing Housing Constraints analysis in response to HCD's comment letter and to comply with State Housing Element law and HCD's Completeness Review Checklist. This analysis must contain a review of factors that may potentially constrain the development of new housing and the improvement and preservation of existing housing in Canyon Lake. The Housing Element should be revised to expand discussions on land use controls present in Canyon Lake along with adding additional analysis on persons with disabilities, fees and exactions, development standards, and



emergency shelter capacity. The Rincon team will identify constraints to housing development, particularly for special needs populations, and updates necessary to comply with applicable laws and regulations. Rincon will submit a draft, red-lined revised Housing Constraints section to the City for review. Rincon will respond to one round of consolidated comments and will incorporate revisions in the Revised Adopted Housing Element, which will be prepared under Phase 3.

Deliverable

- Revised Housing Constraints analysis, and findings incorporated into other relevant sections (MS Word)

Task 2.6 Revise Assessment of Fair Housing

Rincon will revise the existing Assessment of Fair Housing in response to HCD's comment letter and to comply with State Housing Element law and HCD's Completeness Review Checklist. The Assessment of Fair Housing discusses new Housing Element law (Government Code Section 65583), which requires jurisdictions to examine barriers to fair housing and ensure housing programs are implemented in a manner to affirmatively further fair housing. Data will be updated as needed using HCD's Affirmatively Furthering Fair Housing (AFFH) data viewer, and the latest data from SCAG, pre-certified by HCD in April 2021. Revisions will particularly focus on analyzing factors such as race, enforcement and outreach, additional analysis on integration and segregation patterns and trends, further discussion on local and regional disparities in education, environmental, and economic scores both locally and regionally, displacement risk, identification of contributing factors, and additional analysis to the site inventory breakdown. Rincon will work to revise and update all figures and will add in any required figures that were not included in prior drafts. Rincon will submit a draft, red-lined revised Assessment of Fair Housing section to the City for review. Rincon will address one round of consolidated City comments on the revised Assessment of Fair Housing in the Revised Adopted Housing Element, which will be prepared under Phase 3.

Deliverables

- Revised Assessment of Fair Housing (MS Word)
- Additional programs for inclusion in the Housing Plan

Phase 3

Task 1 Project Management

Rincon will provide project management support, including up to 6 meetings for working sessions, timeline and status updates, and hearing preparation, quality control, and internal team coordination. As part of this task, Rincon's project manager will conduct 30-minute bi-weekly virtual meetings with City staff to proactively identify project issues, identify potential solutions, and coordinate with the team and City staff on the best course of action. Rincon will prepare and maintain a detailed project schedule to be used throughout the life of the project, highlighting key milestones and work product delivery dates.

Deliverables

- Attendance at up to 6 half-hour bi-weekly calls, along with brief agendas and action items/assignments



- Monthly invoices
- Development and ongoing maintenance of project timeline

Task 2 Housing Element Update

Rincon will revise the adopted Housing Element, building on work completed by the previous consultant. Revisions will be limited to addressing comments contained in the letters from HCD dated October 18, 2022, direction from City staff, compliance with new State law, and any other feedback received from HCD, with the goal of retaining existing content and analysis in the adopted Housing Element to the extent feasible. All revisions made to the adopted Housing Element will be shown as tracked changes.

Task 2.7 Revise Housing Plan

Rincon will revise the existing Housing Plan in response to HCD's comment letter and to be consistent with State Housing Element law and HCD's Completeness Review Checklist. All programs are to be reviewed to ensure they are specific, contain concrete actions, discrete timeframes, measurable outcomes, and responsible agencies. Based upon the analysis and research conducted in the previous tasks, the Rincon team will revise existing goals, policies, and programs and will identify and recommend new programs, if necessary. Any new programs or implementation measures would be based on our professional opinion of revisions necessary to obtain compliance with State Housing Element law. Revisions will particularly focus on expanding programs related to affordable housing, persons with special needs, and incorporating meaningful actions related to fair housing. Rincon will submit a draft, red-lined revised Housing Plan to the City for review. The Rincon team will address one round of consolidated City comments and will incorporate revisions in the Revised Adopted Housing Element (Task 2.9).

Deliverable

- Revised Housing Plan (MS Word)

Task 2.8 Revise Description of Public Participation

Rincon will revise the description of public participation conducted to date, the time allowed for input, and how input received was considered and incorporated. Rincon may recommend that additional outreach should be taken to meet HCD requirements. Rincon will submit a list of recommended additional engagement activities to the City. The revised description of public participation will be reviewed by the City as part of the review of the Revised Adopted Housing Element (Task 2.9).

Deliverable

- List of recommended supplemental public engagement efforts (MS Word and pdf), if necessary

Task 2.9 Revised Adopted Housing Element

Rincon will prepare an updated Revised Adopted Housing Element based on analysis, research, and comments/discussions from the previous tasks. Rincon will submit a draft, red-lined Revised Adopted Housing Element. Rincon will respond to one round of consolidated comments on the Revised Adopted Housing Element. Rincon will incorporate staff comments in the Public Review version of the Revised Adopted Housing Element. The Revised Adopted Housing Element will have a public review period of seven days prior to submittal to HCD. Following public review, Rincon will compile public comments



received during the seven-day public review period and will edit the document pursuant to City staff direction. Prior to formal submittal, the Rincon team will arrange a virtual meeting with HCD staff to review the revisions and to seek preliminary feedback and will make further revisions accordingly.

Deliverables

- Red-lined Revised Adopted Housing Element (Word)
- Red-lined Public Review version of the Revised Adopted Housing Element (Word and PDF)
- Revised Adopted Housing Element for HCD Review, including response to public comments (Word and PDF)
- Updated HCD comment and response matrix (Word and PDF)
- Electronic submittal of Housing Element (PDF) and Site Inventory (Excel) to HCD

Task 2.10 HCD Review and Revision

Upon receipt of HCD comments following the 60-day review, Rincon will update the Revised Adopted Housing Element pursuant to any additional HCD comments and will prepare the document for City Council review and readoption. The Rincon team will arrange and facilitate one (1) two-hour meeting with HCD staff to discuss comments and review revisions. The Rincon team will submit a draft, red-lined Revised Adopted Housing Element. The Rincon team will respond to one round of consolidated comments on the Revised Adopted Housing Element prior to the City Council meeting.

Deliverables

- Revised Adopted Housing Element (Word and PDF)

Task 3 City Council Meeting

Rincon's Project Manager will present the Housing Element at one City Council meeting and respond to questions as directed by City staff. Rincon's Principal-in-Charge will also be in attendance. Rincon's participation will be conducted in-person. Additional public hearings will be billed on a time and materials basis, per Rincon's billing rates in effect at the time the service is provided. Rincon will respond to one round of consolidated comments on PowerPoint presentation prior to the City Council meeting.

Deliverables

- PowerPoint presentation

Task 4 Post-Readoption HCD Review

Task 4.1 Post-Readoption Submittal to HCD

After readoption of the Revised Housing Element (Task 3), the Housing Element must be resubmitted to HCD for an additional 60-day formal review. It is assumed that Rincon will submit the Revised Housing Element electronically and City staff will submit a hard copy of the Housing Element to HCD. City staff will provide Rincon with the adoption resolution and any related ordinances to include as part of the electronic submittal to HCD.



Deliverables

- Electronic submittal of documentation to HCD for certification

Assumptions

Rincon assumed the following in developing our scope of work and cost estimate:

- No edits or corrections to parcel or base data will be necessary.
- Rincon will rely on SCAG and/or County data if City data is not available or adequate.
- Rincon can rely on the sites identified in the existing 6th cycle Adopted Housing Element.
- All deliverables will be provided electronically in PDF and/or Word format. Comments from the City will be provided as a consolidated set of comments in editable electronic format (i.e., as track changes in MS Word). The City would be responsible for printing all hard-copy documents.
- HCD may require multiple subsequent rounds of review of the Housing Element prior to certification; therefore, the exact level of effort required for this task is unknown at this time. If comments received are more extensive than originally anticipated, and additional time is required to address HCD comments, a scope and cost amendment will be needed. Additional labor will be provided on a time and materials basis billed at rates in effect that that time. Included in this task is budget related to document finalization and an additional electronic submittal to HCD.

The estimated budget for this assignment would be \$79,212, with Phase 2 totaling \$38,646 and Phase 3 totaling \$40,566. The total contract amount for Phase 1 was \$9,867.75, which has been completed. A detailed cost estimate is located on the following page. We are prepared to initiate work immediately upon execution of a contract and receipt of a notice to proceed.

We appreciate the opportunity to assist the City of Canyon Lake. This proposal is valid for 30 days and is fully negotiable to meet the City’s needs for this assignment. If you have any questions about this proposal, please contact Jason Montague at 760-517-9146 or jmontague@rinconconsultants.com.

Sincerely,
Rincon Consultants, Inc.

Jason Montague
Project Manager

Brenna Weatherby
Principal



Cost Estimate

Rincon will complete the work program described herein for a cost not to exceed \$79,212. Any additional tasks not identified herein will be completed only upon authorization and in accordance with the rates shown in the table below.

| Rincon Labor Classification→ | | | | Principal I | Senior Professional I | Professional III | GIS/CADD Specialist II | Production Specialist | Clerical |
|---|-----------------|----------------|------------|-------------|-----------------------|------------------|------------------------|-----------------------|----------|
| Tasks | Labor Cost | Direct Expense | Hours | \$297 | \$230 | \$189 | \$161 | \$116 | \$103 |
| Phase 2 | | | | | | | | | |
| Task 1 Project Management | | | | | | | | | |
| Project Management | \$4,094 | | 18 | 5 | 10 | | | | 3 |
| Task Subtotal | \$4,094 | | 18 | 5 | 10 | | | | 3 |
| Task 2 Housing Element Update | | | | | | | | | |
| 2.1 Data Gaps Analysis | \$1,150 | | 5 | | 5 | | | | |
| 2.2 Review of Past Accomplishments | \$872 | | 5 | | | 4 | | 1 | |
| 2.3 Revise Housing Needs Assessment | \$3,938 | | 20 | 1 | 3 | 15 | | 1 | |
| 2.4 Revise Housing Resources and Site inventory | \$9,039 | | 43 | 1 | 30 | | 10 | 2 | |
| 2.5 Revise Housing Constraints Analysis | \$6,149 | | 31 | 1 | 8 | 20 | | 2 | |
| 2.6 Revise Assessment of Fair Housing | \$13,404 | | 70 | 1 | 12 | 45 | 10 | 2 | |
| Task Subtotal | \$34,552 | | 174 | 4 | 58 | 84 | 20 | 8 | |
| Phase 2 Total | \$38,646 | | 192 | 9 | 68 | 84 | 20 | 8 | 3 |
| Phase 3 | | | | | | | | | |
| Task 1 Project Management | | | | | | | | | |
| Project Management | \$3,991 | | 17 | 5 | 10 | | | | 2 |
| Task Subtotal | \$3,991 | | 17 | 5 | 10 | | | | 2 |
| Task 2 Housing Element Update | | | | | | | | | |
| 2.7 Revise Housing Plan | \$9,729 | | 43 | 1 | 40 | | | 2 | |
| 2.8 Revise Description of Public Participation | \$1,972 | | 10 | | 2 | 8 | | | |
| 2.9 Revised Adopted Housing Element | \$7,880 | | 37 | 4 | 20 | 8 | | 5 | |
| 2.10 HCD Review and Revision | \$5,774 | | 27 | 2 | 20 | | | 5 | |
| Task Subtotal | \$25,355 | | 117 | 7 | 82 | 16 | | 12 | |
| Task 3 City Council Meeting | | | | | | | | | |
| Public Hearings | \$5,788 | \$340 | 24 | 4 | 20 | | | | |
| Task Subtotal | \$5,788 | \$340 | 24 | 4 | 20 | | | | |
| Task 4 Post-Readoption HCD Review | | | | | | | | | |
| 4.1 Post-Readoption Submittal to HCD | \$3,175 | | 15 | 1 | 11 | | | 3 | |



| Rincon Labor Classification→ | | | | Principal I | Senior Professional I | Professional III | GIS/CADD Specialist II | Production Specialist | Clerical |
|--|-----------------|----------------|------------|-------------|-----------------------|------------------|------------------------|-----------------------|----------|
| Tasks | Labor Cost | Direct Expense | Hours | \$297 | \$230 | \$189 | \$161 | \$116 | \$103 |
| 4.2 Accessibility Remediation Services | \$1,917 | | 13 | 1 | 2 | | | 10 | |
| Task Subtotal | \$5,092 | | 28 | 3 | 6 | | | 5 | |
| Phase 3 Total | \$40,226 | 340 | | | | | | | |
| Subtotal | \$78,872 | \$340 | 378 | 28 | 186 | 100 | 20 | 25 | 5 |

| Direct Cost Detail | Cost |
|------------------------------|--------------|
| Vehicle Costs | \$340 |
| Direct Costs Subtotal | \$340 |

| Summary | Cost |
|----------------------------|-----------------|
| Professional Fees Subtotal | \$78,872 |
| Direct Costs Subtotal | \$340 |
| Total | \$79,212 |

Professional Services. Professional Services are based on Rincon's standard fee schedule and labor classifications pursuant Rincon's Agreement for Professional Planning Services and amendment(s) in effect at the time work is performed. The above is provided as an estimate of Rincon's effort per task. Rincon may reallocate budget between staff and tasks, as long as the total contract price is not exceeded.

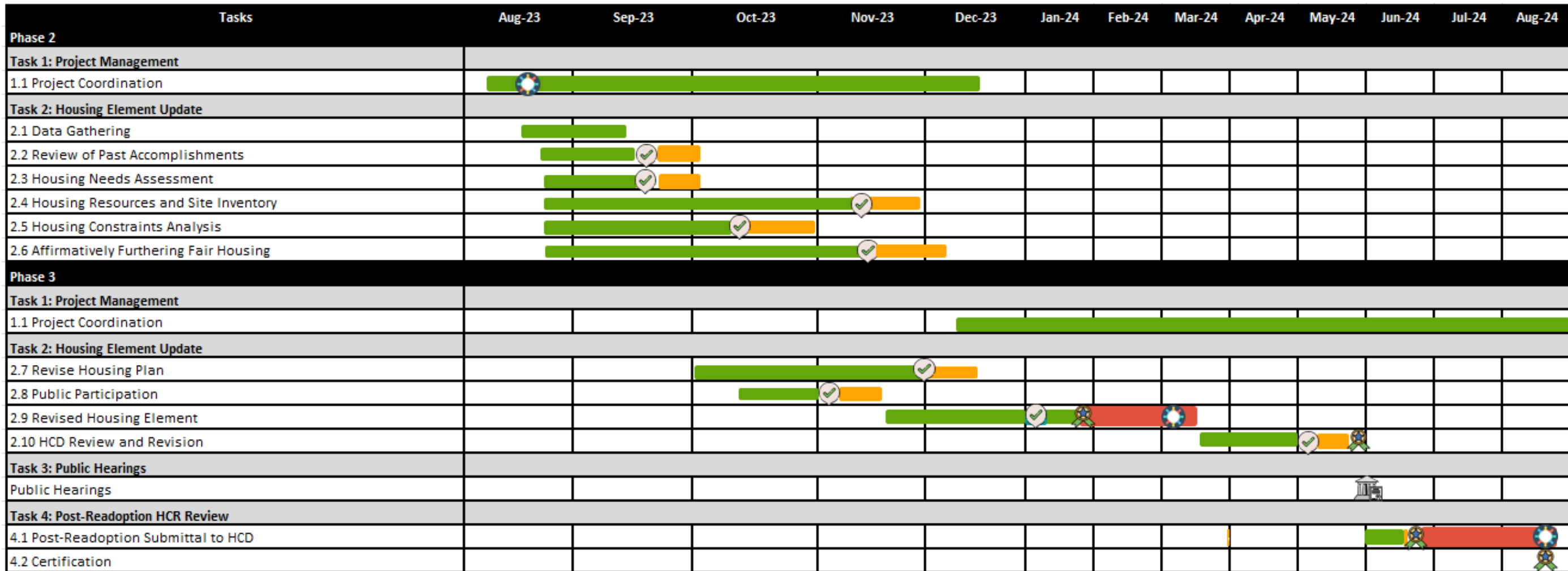
Payment Terms. All fees will be billed to Client monthly and shall be due and payable upon receipt or as indicated in the contract provisions for the assignment. Invoices are delinquent if not paid within ten (10) days from receipt or per the contractually required payment terms.



Project Schedule

The Rincon team is prepared to begin the work program described in this proposal immediately upon authorization to proceed. As depicted on the following chart, Rincon proposes to adhere to a schedule that allows the Revised Adopted Housing Element to be submitted for HCD review within about 4 months from the kickoff meeting and readoption of the Housing Element update within approximately 9 months.

Schedule



| Key | | | |
|--------------|---------------|------------------|------------------------------------|
| [Orange bar] | City review | [Checkmark icon] | Draft Deliverable [Checkmark icon] |
| [Blue bar] | Public Review | [Building icon] | City Council [Building icon] |
| [Red bar] | HCD Review | [Star icon] | Final Deliverable [Star icon] |
| [Green bar] | Rincon Draft | [Star icon] | Meeting [Star icon] |

**EXHIBIT “B”
COMPENSATION**

Compensation shall not exceed \$40,566.00 (“Not to Exceed Amount”).

**ATTACHMENT “1”
PROFESSIONAL SERVICES AGREEMENT
FOR 6TH CYCLE HOUSING ELEMENT UPDATE CONSULTING SERVICES
BETWEEN THE CITY OF CANYON LAKE AND RINCON CONSULTING, INC.**

and

FIRST AMENDMENT

[to be attached]

**PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTING SERVICES
BETWEEN THE CITY OF CANYON LAKE AND Rincon Consultants, Inc.**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 14th day of June 2023 (“Effective Date”), by and between the CITY OF CANYON LAKE (“City”), a California municipal corporation and Rincon Consultants, Inc. (“Consultant”). For the purposes of this Agreement City and Consultant are sometimes hereinafter referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

1. City has sought by direct contact the performance of the updating the City’s General Plan Housing Element defined and described particularly in Section 2, “Scope of Services and Schedule of Performance” of this Agreement.
2. Consultant was selected by City to perform those services.
3. Consultant was selected by City on the basis of Consultant’s demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.
4. City has authority to enter into this Agreement and the City Manager has authority to execute this Agreement.
5. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Section 2 “Scope of Services” of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, for and in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. TERM OF AGREEMENT

- (a) Subject to the provisions of Section 21 "Termination of Agreement" of this Agreement, the Term of this Agreement is through December 31, 2023, commencing on Effective Date, unless otherwise extended by written agreement of the Parties.
- (b) The City Manager may, in his or her sole discretion, unilaterally exercise an option to extend the Agreement on a month-to-month basis following expiration on the same terms and conditions, including compensation as set forth in Section 4 “Compensation.”
- (c) Consultant acknowledges that the Agreement term may extend over multiple City fiscal years, and that work and compensation under this Agreement is contingent on the City

Council appropriating funding for and authorizing such work and compensation for those fiscal years. This Agreement may be terminated by the City Manager at the end of a fiscal year when sufficient funding is not appropriated and authorized for the subsequent fiscal year. City is not obligated to pay Consultant for any amounts not duly appropriated and authorized by City Council.

SECTION 2. SCOPE OF SERVICES

Subject to this Agreement, all addendums and exhibits attached and incorporated hereto, Consultant agrees to perform the services and tasks set forth in Exhibit "A," "Scope of Services" (hereinafter, the "Services"), and the City agrees to retain and does hereby retain Consultant for the Services.

SECTION 3. ADDITIONAL SERVICES

Consultant shall not be compensated for any work rendered in connection with its performance of this Agreement that are in addition to or outside of the Services unless such additional services are authorized in advance and in writing in accordance with Section 25 "Administration and Implementation" or Section 27 "Amendment" of this Agreement. If and when such additional work is authorized, such additional work shall be deemed to be part of the Services.

SECTION 4. COMPENSATION

- (a) Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in Exhibit "B" "Compensation" and made a part of this Agreement by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed \$9,734.00 ("Not to Exceed Amount"), unless additional compensation is approved in writing in accordance with Section 25 "Administration and Implementation" or Section 27 "Amendment" of this Agreement.
- (b) Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.
- (c) If this Agreement is extended pursuant to Section 1 "Term of Agreement," the City shall pay the same rates specified in Exhibit "B" "Compensation."

SECTION 5. METHOD OF PAYMENT AND INVOICING

- (a) Payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 23, "Notices" hereof. Under no circumstances shall the total amount paid to Consultant under this Agreement exceed the City Manager's authority without approval by the City Council.
- (b) Consultant shall submit within 30 days of the end of each month a complete and accurate written itemized invoice for services performed and/or goods provided. The invoice must be in a format approved by City. In order to receive payment, Consultant shall submit to City an itemized invoice, on a monthly basis, for services performed pursuant to this Agreement. Each itemized invoice shall identify at the top of the first page, the Not to Exceed Amount (as set by Section 4(a) above), the total amount billed to date, the services rendered during the billing period, and the amount due for the statement invoice for which reimbursement is sought in the statement invoice. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub consultant contracts. Sub consultant charges shall be detailed by the following categories: labor, travel, materials, equipment and supplies. If the compensation set forth in Section 4(a) and Exhibit "B" include payment of labor on an hourly basis (as opposed to labor and materials being paid as a lump sum), the labor category in each invoice shall include detailed descriptions of tasks performed and the amount of time incurred for or allocated to that task. City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission.
- (c) Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice.
- (d) The Parties estimate that performance of this Agreement will be accomplished without an increase in the Not to Exceed Amount. Consultant shall notify the City in writing whenever it has reason to believe that the costs the Consultant expects to incur under this Agreement in the following sixty (60) days, when added to all costs previously incurred, will exceed eighty percent (80%) of the Not to Exceed Amount specified herein. As part of the notification, the Consultant shall provide the City with a revised estimate of the total cost of performing this Agreement.

SECTION 6. INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's work within sixty (60) days after submitted to City. City shall reject work by a timely written explanation, otherwise Consultant's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such

gross mistakes as amount to fraud. Acceptance of any of Consultant's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section 17 "Indemnification" and Section 18 "Insurance."

SECTION 7. OWNERSHIP OF DOCUMENTS

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing the Services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

If and to the extent that City utilizes for any purpose not related to this Agreement any maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents prepared, developed or discovered by Consultant in the course of providing the Services pursuant to this Agreement, Consultant's guarantees and warranties in Section 11 "Standard of Performance" of this Agreement shall not extend to such use of the maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files or other documents.

SECTION 8. INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT

For no additional compensation, Consultant hereby assigns to City all of Consultant's rights, title, and interest in and to the content of all deliverable materials created by Consultant or its employees, agents, or sub consultants, including copyrights, in connection with the Services performed under this Agreement. Consultant shall promptly execute and deliver, and shall cause its employees, agents, and sub consultants to promptly execute and deliver, upon request by the City or any of its successors or assigns at any time and without further compensation of any kind, any power of attorney, assignment, application for copyright, patent, trademark or other intellectual property right protection, or other papers or instruments which may be necessary or desirable to fully secure, perfect or otherwise protect to or for the City, its successors and assigns, all right, title and interest in and to the content of the deliverable materials. For purposes of this section deliverable materials includes all works, tangible or not, created under this Agreement including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, website, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. The provisions of this paragraph are binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

SECTION 9. CONSULTANT’S BOOKS AND RECORDS

- (a) Consultant shall maintain any and all documents and records demonstrating or relating to Consultant’s performance of the Services. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the Services provided by Consultant pursuant to this Agreement. Any and all such documents or records shall be maintained for three (3) years from the date of execution of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.
- (b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon request by City or its designated representative. Copies of such documents or records shall be provided directly to the City for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Consultant’s address indicated for receipt of notices, “Section 23,” of this Agreement.
- (c) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Consultant’s business, City may, by written request, require that custody of such documents or records be given to the City. Access to such documents and records shall be granted to City, as well as to its successors in interest and authorized representatives.

SECTION 10. INDEPENDENT CONTRACTOR

- (a) Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.
- (b) The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant’s exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant’s officers, employees, sub consultants or agents except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant’s officers, employees, or agents are in any manner officials, officers, employees or agents of City.

- (c) Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 11. STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the Services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all Services. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to the Services required of Consultant under this Agreement, and shall use such skill, prudence, and diligence as other members of Consultant's profession commonly possess and exercise. In addition to the general standards of performance set forth this section, additional specific standards of performance and performance criteria may be set forth in Exhibit "A" "Scope of Services" that shall also be applicable to Consultant's work under this Agreement. Where there is a conflict between a general and a specific standard of performance or performance criteria, the specific standard or criteria shall prevail over the general.

SECTION 12. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained or shall promptly obtain all necessary licenses to perform the Services set forth in this Agreement and that such licenses are in good standing, including but not limited to obtaining a City business license. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 13. PREVAILING WAGE LAWS

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. To the extent applicable, Consultant shall defend, indemnify, and hold the City, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

SECTION 14. NONDISCRIMINATION

Consultant and subconsultants shall not unlawfully discriminate, harass, or allow harassment against any person because of sex, sexual orientation, gender, gender identity, gender expression, reproductive health decision-making, race, color, religious creed, marital status, ancestry, national origin, medical condition, genetic information, age, disability (mental and physical), or military or veteran status in connection with or related to the performance of this Agreement. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code of Regs, tit. 2, § 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, § 12990 (a)-(f), are incorporated into this Agreement by reference and made a part hereof as set for in full (Cal. Code of Regs, tit. 2, § 7285.0, et seq.). Consultant shall include the non-discrimination and compliance provisions of this section in all subcontracts to perform work under this Agreement.

SECTION 15. CONFLICTS OF INTEREST

- (a) Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of the Services. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.
- (b) City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.
- (c) City understands and acknowledges that Consultant will, perform non-related services for other governmental agencies and private parties following the completion of the Services under this Agreement. Any such future service shall not be considered a conflict of interest for purposes of this section.

SECTION 16. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

- (a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

- (b) Consultant, its officers, employees, agents or sub consultants, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.
- (c) If Consultant, or any officer, employee, agent or sub consultant of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.
- (d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or sub consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

SECTION 17. INDEMNIFICATION

- (a) To the fullest extent permitted by law, Consultant shall indemnify, protect, defend (with legal counsel reasonably selected by the City) and hold harmless City and any and all of its elected and appointed officials, officers, employees, representatives and agents ("Indemnified Parties") from and against any and all claims, actions and proceedings (whether at law or equity, administrative or judicial), demands, orders, judgments, losses, injuries (including, without limitation, injury to or death of an employee of Consultant or sub consultants), liabilities of every kind (including, without limitation, incidental and consequential damages, court costs, and litigation expenses, and fees of expert consultants or expert witnesses incurred in connection therewith and cost of investigation), damages, costs and expenses, including attorney's fees and costs, (collectively "Claims") that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligent performance of Services by Consultant, its officers, agents, employees, representatives, sub consultants, anyone directly or indirectly employed by any of them, or anyone that they control. Consultant's duty to indemnify, protect, defend and hold harmless Indemnified Parties, shall not include any Claims arising from the sole negligence or willful misconduct of the Indemnified Parties.
- (b) Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub consultant, subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement naming the Indemnified Parties as additional indemnitees. In the event Consultant fails to obtain such indemnity obligations from others as required

here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement and this section.

SECTION 18. INSURANCE

Consultant agrees to obtain and maintain in full force and effect during the Term of this Agreement the insurance policies set forth in Exhibit "C" "Insurance" and made a part of this Agreement. All insurance policies shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Consultant agrees to provide City with copies of required policies upon request.

SECTION 19. ASSIGNMENT

The expertise and experience of Consultant are material considerations for this Agreement. City has an interest in the qualifications and capability of the persons and entities who will fulfill the duties and obligations imposed upon Consultant under this Agreement. In recognition of that interest, Consultant shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the City, which may be given in the sole and absolute discretion of the City Manager. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including termination of this Agreement pursuant to Section 21 "Termination of Agreement." City acknowledges, however, that Consultant, in the performance of its duties pursuant to this Agreement, may utilize sub consultants.

If in the performance of its duties Consultant utilizes sub consultants or subcontractors, Consultant covenants that subcontracts, if any, shall contain a provision making sub consultants or subcontractors subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 18 "Insurance." The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any sub consultant or subcontractor for purposes of establishing a duty of care between any sub consultant or subcontractor and the City.

SECTION 20. CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors / sub consultants, if any, assigned to perform the Services. Consultant shall notify City of any changes in Consultant's staff and subcontractors/sub consultants, if any, assigned to perform the Services prior to and during any such performance.

SECTION 21. TERMINATION OF AGREEMENT

- (a) City may terminate this Agreement in its sole and absolute discretion, with or without cause, at any time by giving written notice of termination to Consultant. In the event such notice is given, Consultant shall cease immediately all work in progress.
- (b) Consultant may terminate this Agreement for cause at any time upon thirty (30) days written notice of termination to City.
- (c) If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.
- (d) Upon termination of this Agreement by either Consultant or City, all property belonging exclusively to City which is in Consultant's possession shall be returned to City. Consultant shall furnish to City a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in Section 5 "Method of Payment and Invoicing" of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 5 "Method of Payment and Invoicing" of this Agreement.
- (e) Upon written notice, City may suspend all or any portion of Consultant's performance under this Agreement at its sole option and for its convenience for a reasonable period of time not to exceed six (6) months. City will pay to Consultant a sum equivalent to the reasonable value of the services satisfactorily provided up to the date of suspension. City may rescind the suspension prior to or at six (6) months by providing Consultant with written notice of the rescission, at which time Consultant would be required to resume performance in compliance with the terms and provisions of this Agreement. Consultant will be entitled to an extension of time to complete performance under this Agreement equal to the length of the suspension unless otherwise agreed to in writing by the Parties.

SECTION 22. EXCUSABLE DELAYS

Neither Party shall be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of either Party. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of City, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this Agreement shall be equitably adjusted for any delays due to such causes.

SECTION 23. NOTICES.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: City of Canyon Lake
Attn: Nicole Dailey, City Manager
31516 Railroad Canyon Road
Canyon Lake, CA 92587

To Consultant: Rincon Consultants, Inc.
Attn: Brenna Weatherby, Principal
180 North Ashwood Avenue
Ventura, CA 93003

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 24. AUTHORITY TO EXECUTE.

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she/they has/have the authority to so execute this Agreement and to bind Consultant to the performance of its obligations hereunder.

SECTION 25. ADMINISTRATION AND IMPLEMENTATION.

This Agreement shall be administered and executed by the City Manager or his or her designated representative. The City Manager shall have the authority to issue interpretations and to make amendments to this Agreement, including amendments that commit additional funds, consistent with Section 27 "Amendment" and the City Manager's contracting authority under the City of Canyon Lake Municipal Code.

SECTION 26. BINDING EFFECT.

This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

SECTION 27. AMENDMENT.

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Consultant and by City. The City Manager shall have the authority to approve any amendment to this Agreement if the total compensation under this Agreement, as amended, would not exceed the City Manager's contracting authority. All other amendments shall be approved by the City Council. The Parties agree that the requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 28. WAIVER.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 29. LAW TO GOVERN; VENUE.

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the Parties, venue in state trial courts shall lie exclusively in the County of Riverside, California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

SECTION 30. ATTORNEY'S FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing Party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 31. ENTIRE AGREEMENT.

This Agreement, including the attached exhibits and addendums, along with any amendments thereto, is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid and binding.

SECTION 32. SEVERABILITY.

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 33. INCORPORATION AND CONFLICTING TERMS.

- (a) The following documents are incorporated and made part of this Agreement by this reference:
1. All exhibits and addendums
 2. All amendments
 3. Consultant's proposal, if any
 4. Any laws, regulations, requirements, or restrictions, applicable to the funding source used by City to pay Consultant for any portion of work done under Agreement ("Funding Restrictions")
- (b) The documents listed above shall be referred to collectively as the "Agreement Documents." The Agreement Documents are intended to be complementary, and a requirement in one Document is effective as if it appeared in all the Documents. In the event of a conflict between any of the Agreement Documents, the Documents shall be given effect in the following order: Funding Restrictions, Amendments (most recent first), this Agreement, Insurance requirements, exhibits and addendums, and Consultant's proposal. Where the requirements of one Document are more stringent than another the more stringent shall govern.

SECTION 34. TIME OF THE ESSENCE.

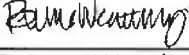
Time is of the essence for each and every provision of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF CANYON LAKE

By: 
Nicole Dailey
Its: City Manager

CONSULTANT

By: 
Brenna Weatherby
Its: Principal

ATTEST:

By: 
Sheryl L. Garcia, City Clerk

EXHIBIT "A"
SCOPE OF SERVICES

[To be attached]



Rincon Consultants, Inc.
180 North Ashwood Avenue
Ventura, California 93003
805-644-4455

May 5, 2023
Rincon Project No. 23-14602

Jim Morrissey, City Planner
City of Canyon Lake
31516 Railroad Canyon Road
Canyon Lake, California 92587
Via email: jmorrissey@canyonlakeca.gov

Subject: Proposal for City of Canyon Lake 6th Cycle Housing Element Update Work Plan

Rincon Consultants is pleased to submit this proposal to assist the City of Canyon Lake (City) with planning services to support the 6th Cycle Housing Element update. We have assembled a team of highly skilled planning and housing professionals with extensive experience with both the technical and policy aspects of Housing Element updates requirements. We are proud of our team's ability to work effectively with City staff, decision-makers, and the California Department of Housing and Community Development (HCD) to develop innovative approaches and solutions to prepare a substantially compliant Housing Element.

The scope of work described below is based on Rincon's experience preparing 6th Cycle Housing Element updates for multiple jurisdictions, taking into account a reasonable, likely course of action. Unforeseen or unusual circumstances that may occur could alter the scope of work and require additional coordination, data gathering, and analysis.

Project Understanding

On February 9, 2022, the City Council adopted the Revised Draft Housing Element, which was subsequently submitted to HCD on February 15, 2022. HCD provided a comment letter dated April 15, 2022 with a list of revisions necessary to comply with state housing law. The City Council adopted a new version of the Housing Element on August 8, 2022, and submitted to HCD on August 22, 2022. HCD provided an additional comment letter dated October 18, 2022. The City is seeking consultant services to revise the draft 6th Cycle Housing Element update to address HCD's comments. Based on a preliminary review of the HCD letters referenced above, while some comments will be relatively simple to address, extensive revisions would be required to obtain compliance, including substantial revisions to the Assessment of Fair Housing, site inventory suitability, and governmental constraints discussions, and development of new programs to address constraints.

Absent a thorough review of the 6th Cycle Draft Housing Element update, supporting materials, and a dialogue with HCD staff, it is difficult to provide an accurate estimate of the level of effort needed to achieve HCD support. Therefore, in order to adequately determine the level of effort involved to revise the draft Housing Element update, Rincon proposes a two-phase scope of work: Phase 1 would involve review of the HCD comment letter and relevant City documents, meeting with HCD staff to clarify ambiguities, coordination with City staff, and the preparation of a work plan to achieve a substantially compliant Housing Element update. Phase 2 would involve execution of the Housing Element update. This proposal details a scope of work, cost estimate, and timeline for Phase 1.



Scope of Work

Task 1 Document Review

Rincon will review the draft 6th Cycle Housing Element update, HCD comment letters, the Sites Inventory spreadsheet (to be provided by the City), and previous community engagement efforts to familiarize ourselves with the project status. We will also review the City of Canyon Lake General Plan and Canyon Lake Municipal Code to evaluate compliance with State law.

Deliverables

- Deliverables will be provided as part of task 3.

Timeframe

Document review will be completed within two weeks of receipt of all materials.

Task 2 Meeting with HCD staff

Rincon will schedule and facilitate a meeting with HCD staff to review the HCD comment letter and clarify HCD expectations. Rincon will draft a list of questions for City review prior to the meeting, and if needed, will attend a meeting with City staff to review and finalize questions.

Deliverables

- List of questions (MS Word)
- Meeting notes (PDF)

Timeframe

Rincon will initiate contact with HCD to schedule a meeting within one business day of notice to proceed.

Task 3 Housing Element Update Work Plan Report

Rincon will prepare a report outlining deficiencies, additional analysis and engagement efforts, if any, and recommended revisions. The report will identify description of the scope of work, a cost estimate, and realistic timeframes and steps needed to complete the recommended analysis needed to address HCD comments. The report will also include a matrix that lists each comment from the two HCD comment letters and a description of the level of effort involved to address each comment. This task will include a meeting with City staff to review and refine the work plan as needed.

Deliverables

- Work plan report (PDF) with comment matrix
- Meeting with City staff (Virtual)

Timeframe

- Rincon will submit work plan report within four weeks following a meeting with HCD.



Task 4 Project Management

Throughout the project duration, Rincon will coordinate internally and with City staff. Rincon’s project manager will communicate with City staff via email, telephone calls, and videoconferencing (as needed) for clear communication and project understanding. Rincon will prepare invoices with status reports documenting progress.

Deliverables

- Virtual meetings, prearranged phone calls, email communication

Timeframe

- Ongoing

Assumptions

- City staff will provide access to materials and documents needed to conduct a thorough review.
- Timeframes for deliverables may shift based on availability of City and HCD staff for scheduling meetings.
- Meetings will take place virtually.
- One meeting with HCD staff will be two hours in duration.
- Meetings and phone calls with City staff would not exceed a total of three hours.

Project Team

The proposed team has the experience and availability needed to complete the scope of work within the proposed timeframes outlined above. Other Rincon staff not listed below may provide additional technical expertise as needed or assist in the event of unforeseen staffing shortages.

| Name | Classification | Role |
|------------------|----------------|---|
| Jenna Shaw | Planner IV | Lead reviewer |
| Jason Montague | Planner IV | Project Manager, Point of Contact |
| Brenna Weatherby | Principal I | Quality assurance/quality control, contract oversight |

Brief Biographies of Project Team

Jenna Shaw | Lead Analyst



Jenna Shaw has experience in land use and environmental planning. Jenna has assisted with the development of general plans, housing elements, zoning ordinances, and land use analyses. She has analyzed environmental impacts for residential, commercial, and industrial projects and has prepared supportive CEQA documentation. Jenna is fluent in Spanish and has obtained her certifications in conflict management and civil mediation, providing expertise in navigating difficult conversations and controversial decisions during public engagement sessions. Jenna is serving as the Assistant Project Manager for the Carlsbad, Palo Alto, Bakersfield, and

Merced County Multi-Jurisdictional Housing Element updates.



Proposal for City of Canyon Lake 6th Cycle Housing Element Update Work Plan

Jason Montague | Project Manager



Jason Montague has experience in current, long-range, and environmental planning. Jason has worked on numerous housing elements in the San Diego Association of Governments, Southern California Association of Governments, Association of Bay Area Governments, and Kern Council of Governments regions and has experience compiling Sites Inventories, performing Affirmatively Furthering Fair Housing analysis, and writing housing element chapters and housing programs. Jason has worked closely with the California Department of Housing and Community Development to address all statutory requirements for housing elements to achieve certification. Recently, Jason has served as the Project Manager for the Hayward, Santa Clarita, Lodi, and Vista Housing Element updates and has provided site inventory guidance to the cities of Bakersfield, Palo Alto, Banning, and all jurisdictions in Merced and Tulare Counties as part of multi-jurisdictional housing element efforts.

Brenna Weatherby | Principal in Charge



Brenna Weatherby has over 20 years of experience in city planning, long range community planning, discretionary permit processing, and environmental analyses throughout California. She is currently leading housing element updates, public engagement efforts, and associated environmental analysis in the cities of Corona, Banning, Santa Clarita, Monterey Park, Temple City, San Gabriel, Bakersfield, Palo Alto, Pleasant Hill, and St. Helena. Her experience with housing assessment and needs analysis, and creating housing goals, policies, and quantified objectives, allows her to develop creative solutions for communities facing complex housing challenges. Brenna is also skilled at leading multidisciplinary teams through strategic planning sessions for controversial projects, and working closely with developers, citizens, and political stakeholders throughout the process.

Schedule

We estimate that this work can be completed in four weeks, assuming staff is available to answer any critical questions or to provide additional data, as needed, and pending HCD staff availability. Rincon anticipates preparation of a proposal and cost estimate for Phase 2 based on the findings of the Draft 6th cycle Housing Element Work Plan Report.

Cost Estimate

The estimated budget for this assignment would be \$9,734.00. We are prepared to initiate work immediately upon execution of a contract and receipt of a notice to proceed.

| Task | Cost Estimate |
|-------------------------------|----------------|
| Task 1 Document Review | \$1,473 |
| Task 2 Meeting with HCD Staff | \$1,890 |
| Task 3 Recommendations Report | \$5,085 |
| Task 4 Project Management | \$1,286 |
| Project Total | \$9,734 |



City of Canyon Lake
Proposal for City of Canyon Lake 6th Cycle Housing Element Update Work Plan

We appreciate the opportunity to assist the City of Canyon Lake. This proposal is valid for 30 days and is fully negotiable to meet the City's needs for this assignment. If you have any questions about this proposal, please contact Jason Montague at 706-517-9146 or jmontague@rinconconsultants.com.

Sincerely,

Rincon Consultants, Inc.

A handwritten signature in black ink that reads "Jason Montague". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jason Montague
Planner

A handwritten signature in black ink that reads "Brenna Weatherby". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Brenna Weatherby
Principal

EXHIBIT "B"
COMPENSATION

Compensation for the Services shall not exceed \$9,734.00 ("Not to Exceed Amount")

EXHIBIT "C"
INSURANCE

(A) INSURANCE REQUIREMENTS. Consultant shall provide and maintain insurance, acceptable to the City, in full force and effect throughout the Term of this Agreement, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services by Consultant, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Consultant shall provide the following scope and limits of insurance:

1. MINIMUM SCOPE OF INSURANCE. Consultant shall maintain the following types and limits of insurance.

2. MINIMUM LIMITS OF INSURANCE.

GENERAL LIABILITY INSURANCE. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

AUTOMOBILE LIABILITY INSURANCE. Consultant shall maintain automobile liability insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

PROFESSIONAL LIABILITY (ERRORS & OMISSIONS) INSURANCE. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and \$2,000,000 in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

WORKERS' COMPENSATION INSURANCE. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000 per accident or disease). Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

UMBRELLA OR EXCESS LIABILITY INSURANCE. [Optional depending on limits required]. As an option to meet the limits of insurance required by this Agreement, Consultant may obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages

set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

(B) OTHER PROVISIONS. Each insurance policy required by this Agreement shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either Party to this Agreement, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

(C) OTHER REQUIREMENTS. Consultant agrees to deposit with City, at or before the effective date of this Agreement, certificates of insurance necessary to satisfy City that the insurance provisions of this contract have been complied with. The City Attorney may require that Consultant furnish City with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. Upon request from the City, Consultant shall furnish certificates and endorsements from each subcontractor identical to those Consultant provides.

2. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit Consultant's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement.

4. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

5. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its sub consultants.

6. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies, with coverage at least as broad as ISO form CG 20 10. This provision shall also apply to any excess/umbrella liability policies.

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
FOR 6TH CYCLE HOUSING ELEMENT UPDATE CONSULTING SERVICES
BETWEEN THE CITY OF CANYON LAKE AND RINCON CONSULTING, INC.**

This First Amendment to the Professional Services Agreement for 6th Cycle Housing Element Update Consulting Services (“First Amendment”), is made and entered into this 24th day of August 2023 (“Effective Date”) by and between the City of Canyon Lake, a California municipal corporation (“City”), Rincon Consulting, Inc., a California corporation (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on June 14, 2023, the City and Consultant entered into an Agreement for 6th Cycle Housing Element Update Consulting Services (“Agreement”); and

WHEREAS, the Parties desire to amend the scope of services and compensation of the Agreement to allow for ongoing consultation services; and

WHEREAS, for the reasons set forth herein, the Parties desire to enter into this First Amendment and have agreed to amend the Agreement as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Attachment “1” and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

1. Section 2, Scope of Services, is revised to replace the existing Exhibit “A” in its entirety with the revised Exhibit “A” attached hereto.
2. Section 4, Compensation, is hereby amended to a not to exceed amount of \$38,646.00.
3. The existing Exhibit “B” Compensation is replaced in its entirety with the revised Exhibit “B” attached hereto.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Agreement as of the Effective Date.

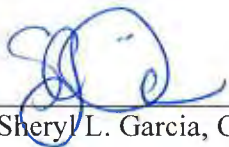
CITY OF CANYON LAKE

By: 
Nicole Dailey, City Manager

RINCON CONSULTANTS, INC.

By: 
Brenna Weatherby, Principal

ATTEST:

By: 
Sheryl L. Garcia, City Clerk

APPROVED AS TO FORM:

By: _____
Steven Graham, City Attorney

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Agreement as of the Effective Date.

CITY OF CANYON LAKE

RINCON CONSULTANTS, INC.

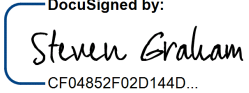
By: _____
Nicole Dailey, City Manager

By: _____
Brenna Weatherby, Principal

ATTEST:

By: _____
Sheryl L. Garcia, City Clerk

APPROVED AS TO FORM:

By:  _____
Steven Graham, City Attorney

ATTACHMENT 2



Rincon Consultants, Inc.
250 East 1st Street, Suite 1400
Los Angeles, California 90012
213-788-4842

July 20, 2023
Project No: 23-14602

Jim Morrissey, City Planner
City of Canyon Lake
Planning Department
31516 Railroad Canyon Road
Canyon Lake, California 92587
Via email: jmorrissey@canyonlakeca.gov

Subject: Canyon Lake 6th Cycle Housing Element Update Assessment and Work Plan

Dear Mr. Morrissey:

The City of Canyon Lake (City) requested that Rincon Consultants, Inc. (Rincon) provide an assessment of the City's 6th cycle adopted Housing Element and provide guidance on how the City can obtain certification of the Housing Element from the California Department of Housing and Community Development (HCD). This memorandum outlines Rincon's assessment of the steps necessary to address HCD comments on the Housing Element, revisions needed to respond to HCD, and realistic timeframes to complete the recommended analysis. The guidance provided in this memorandum is based upon Rincon's experience and expertise, considering a reasonable, likely course of action. Unforeseen or unusual circumstances that may occur could alter the suggested course of action, and/or require additional steps for certification. This memorandum is not intended to constitute legal advice. It is recommended that you consult your attorney regarding any legal questions specific to this assessment.

Assessment of 6th Cycle Housing Element

After reviewing the City's 6th cycle adopted Housing Element, HCD's comment letters, and other relevant documents, there are several areas that require revisions to fully comply with State law. This document outlines those revisions by topic area.

Rincon met with HCD staff on July 13, 2023 to discuss the unique challenges pertaining to Canyon Lake's Housing Element. Recommendations provided by HCD staff have been incorporated into this assessment.

Assessment of Fair Housing

Rincon recommends revisions to the Affirmatively Furthering Fair Housing (AFFH) analysis within Appendix F to incorporate a sites inventory analysis, local and regional (Riverside County) comparisons, supporting maps, and additional details on contributing factors and meaningful actions.

Enforcement and Outreach

The City's existing enforcement and outreach procedures and their capacity should be further evaluated to provide additional information on fair housing enforcement, and how the City investigates complaints, obtains remedies, and engages in fair housing testing. A discussion on past and present housing lawsuits should also be added.



Integration and Segregation

The adopted Housing Element currently provides data on local segregation related to race and income. This analysis should be revised to include additional quantitative and qualitative analysis comparing the city's fair housing characteristics to the broader region to identify patterns and trends over time and geographic area. Supporting maps should be added to supplement the analysis.

Disparities in Access to Opportunity

Additional analysis on City's access to opportunities related to education, environment, and economic factors such as proximity to jobs. A detailed analysis will be provided at local and regional level using California Tax Credit Allocation Committee (TCAC) opportunity maps to geographically identify fair housing issues. Analysis on local and regional transit access and walkability scores should also be added.

Disproportionate Housing Needs and Displacement

Additional discussions on homelessness and displacement risk on both the local and regional level should be included. Existing topics in the section should be supplemented with associated maps and additional data-driven analysis that includes substandard housing, overpayment, overcrowding, and displacement risk as determined by UC Berkley's Urban Displacement Project.

Sites Inventory

Analysis of the income categories of the identified sites with respect to their location and how it may affect existing patterns for all components of the AFFH should be included. This analysis should include a discussion on the City's opportunity areas for residential units (i.e. the Towne Center Specific Plan (TCSP)), and whether the sites improve/exacerbate existing conditions or create concentrations of poverty/affluence.

Local Data and Knowledge and Other Relevant Factors

This section should include sources of local knowledge (i.e. City staff, members of the public, community stakeholders) to address relevant factors to fair housing not previously discussed in other sections of the Fair Housing Assessment. Examples of other relevant factors include changes and barriers in zoning and land use rules, information about past redlining/greenlining, patterns of institutionalization, restrictive covenants and other discriminatory practices, presence and history of place-based investment, mobility option patterns, and outreach and community engagement.

Contributing Factors

Factors previously listed should be further analyzed for consistency and supplement as needed based on any new analysis.

Goals, Priorities, Metrics, and Milestones

A thorough review of all meaningful actions pertaining to fair housing should be conducted. The analysis should ensure that all contributing factors are addressed by an action, including milestones, geographic targeting, and numerical targets.



Fair Housing Programs

Existing housing programs should be reviewed for consistency and supplement as needed based on new analysis and revisions to the meaningful actions. This will include the addition of a program stating the City's commitment to become a member of the Fair Housing Council of Riverside County (FHCRC). Since all housing units are being concentrated in the TCSP, HCD recommends adding housing mobility programs to allow lower-income families to move to high opportunity neighborhoods to mitigate concentrating lower-income units in one area. Additional fair housing policies and programs should be added based on the new analysis.

Sites Inventory and Analysis

The analysis in Appendix C should provide a comprehensive assessment of the sites used to accommodate the City's RHNA. This analysis should include a breakdown of each site by income level, existing uses, realistic density, and other site-specific characteristics such as structure age, improvement-to-land value ratio, and Floor Area Ratio. Since all sites in the existing inventory are within the TCSP, justification for why these sites were selected should be added and what realistic development could occur on each site. Justification should include regional examples of similar development occurring within existing commercial areas and analysis of the likelihood of nonvacant sites redeveloping during the Planning Period. HCD recommends additional outreach to property owners to gauge their interest in redeveloping.

Additional information from the TCSP should be incorporated into the Housing Element, including the City's objectives for the TCSP (i.e. intensification and revitalization of the TCSP by planning for high density mixed-use uses to address the City's future housing needs), potential barriers to development, available financing, and timing the estimated time frame for development.

Mapping

Additional maps and graphics, such as the one shown below, should be included in the element to identify the locations of all inventory sites.



Imagery provided by Microsoft Bing and its licensors © 2023.

23-14603 EPS
Fig X Inventory Sites



City-Owned Sites

A discussion of City-owned sites consisting of a list of all sites and a description of the City's compliance with the Surplus Land Act should be added. Additionally, a program with a timeline for when actions will occur should be developed and included. The City has indicated that they have purchased or plan to purchase some of the sites inventory parcels to facilitate the development of housing, this was not previously stated. A discussion on City purchased parcels used in the inventory should also be included.

Realistic Capacity

A discussion to establish trends for capacity and discuss why the assumptions are realistic should be included. This analysis should consider the likelihood of residential and nonresidential development in mixed-use zones.

Suitability of Nonvacant Sites

Development trends to support a site strategy where exiting uses will remain and additional housing will be built above that use should be included. Additionally, example projects with similar existing uses should be added to the Housing Element to establish market conditions similar to what is envisioned in the TCSP. Additional programs may be added to further incentivize and facilitate development.

Governmental Constraints

Appendix D should be revised to ensure that the Housing Element identifies constraints to housing development, particularly for special needs populations and applicable laws and regulations.

Zoning for a Variety of Housing Types - Emergency Shelters

While Program 3.1 commits to increasing the shelter bed limit from 5 to 10 with the adoption of the Zoning Ordinance Amendment, it does not demonstrate that the limit is sufficient to not constrain the development of emergency shelters. The 10-unit bed limit should be analyzed as a constraint to the development of emergency shelters. The analysis should provide examples of emergency shelters in nearby communities to assist in the analysis.

Development Standards for The Town Center Specific Plan

The development standards from Section 3.2 of the TCSP should be added to existing Table D-2 to include lot size, lot coverage, and setback information.

Fees and Exactions

A full analysis of fees and exactions, including if they may have potential constraints on housing supply and affordability should be included.

Housing for Person with Disabilities

A constraints analysis should be included related to group homes for seven or more people and analyze whether the standards impact on housing supply and choices and approval certainty and objectivity for housing for persons with disabilities.



Housing Programs

Based on any adjustments made above, the consultant selected for this project should review existing programs and add any necessary programs or actions consistent with the revised analysis (i.e. the fair housing programs listed under Category 5). Programs should be universally supplemented to include actionable goals, measurable metrics, and milestones.

Program 1.2

This program should be revised to state that the TCSP was adopted in June 2022. It should be noted that all sites within the TCSP need to be rezoned before the Housing Element can be certified.

Small Sites

An additional program pertaining to lot consolidation should be developed and included due to the statement in the Housing Element that small sites pose a constraint to development.

Extremely Low-Income Households

Additional action(s) should be added related to assisting extremely low-income (ELI) households. Actions would consist of: the City committing to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to ELI households; assisting, supporting or pursuing funding applications; and outreach and coordination with affordable housing developers.

Facilitate Development in the TCSP Area

HCD recommends that the City add policies and programs to facilitate residential development in the TCSP area. The City should add a program to facilitate entitlements through various development incentives and coordination with property owners and developers. This program would establish the City's milestones for when development in the TCSP would occur.

Timeframes and Cost

Typical timeframes for the phases of housing element development are listed below. These timeframes are based on Rincon's experience with 6th cycle Housing Elements, and would be contingent upon the City's ability to provide necessary information for the revisions. All effort will be made to find efficiencies and reduce time, where possible. A timeline for completion would need to incorporate public review timeframes, public hearings and associated lead times, and time for HCD's review.

| Task | Approximate Timeframes |
|---|------------------------|
| Revise Sites Inventory & Housing Resources | 12 weeks |
| Revise Assessment of Fair Housing | 16 weeks |
| Revise Assessment of Housing Needs and Constraints Analysis | 8 weeks |
| Revise Housing Program | 20 weeks |
| Overall Time Frame | 21 weeks |

Based on Rincon's recent experience, we estimate that the cost for the revision of the Housing Element, project management, HCD review and coordination, and support during public hearings for re-adoption would be approximately \$70,000 to \$100,000. The cost may vary based on the ability to



obtain or gather data from the City or other agencies as needed, additional coordination with the City and/or HCD beyond what is assumed, multiple revisions due to changes in information and/or direction from City Council or public comment, additional public hearings, and so forth. As the City budgets for this work, we would recommend adding a 10 percent contingency to the budget as there are so many unknowns with HCD review timing and additional comments.

Next Steps

Based on the contents of this memorandum, Rincon will prepare a proposal and detailed cost amendment request for completion of the work required to complete the 6th Cycle Housing Element.

We appreciate the opportunity to assist the City of Canyon Lake with their Housing Element Update.

Sincerely,

Rincon Consultants, Inc.

A handwritten signature in black ink that reads "Jason Montague".

Jason Montague
Project Manager

A handwritten signature in black ink that reads "Brenna Weatherby".

Brenna Weatherby
Principal



ITEM NO. 9

STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Terry Shea, Finance Director

DATE: September 13, 2023

SUBJECT: Consideration and Approval of an Updated City Investment Policy

Recommendation

Approve the updated City Investment Policy.

Background

The City's Investment Policy provides guidelines for the investment of the City's funds based upon State law and prudent money management. The goal is to enhance the economic status of the City while ensuring the safety of the funds. Occasionally, changes to the California Government Code regarding allowable investments necessitates updating the City's Investment Policy.

In addition, the Investment Policy requires the City Manager to perform an annual review of the City's policy and, as needed, make recommendations for improvements to the City Council.

The City's current Investment Policy was officially approved by the City Council in February 2010 and updated by the City Council on April 4, 2012. At the City Council meeting on July 12, 2023, staff provided a review of the City's Investment Portfolio and suggested the City Council review and update its current Investment Policy.

Discussion

Based on staff's review of the City's existing policy and recent changes to state law, staff has proposed the following changes as proposed and highlighted in yellow in the Updated Investment Policy, i.e., Attachment 2 below:

- Section III. A. Deposits The FDIC insured amount is changed from \$100,000 to \$250,000.
- Section III. A. Authorized Investments The LAIF maximum amount \$40,000,000 is changed to \$75,000,000.
- Attachment A - Summary of State of California Statutes Applicable to Municipal Investments was replaced with the new table and footnote references.

Fiscal Impact

None.

Attachments

1. Current Investment Policy
2. Updated Investment Policy

ATTACHMENT 1



INVESTMENT POLICY

The City of Canyon Lake has adopted the following policy for the investment of City funds.

I. The Legal Authority

The Authority governing investments for the City of Canyon Lake is set forth in the California Government Code, sections 53601 et. Seq. The City Treasurer is granted authority to make investments on behalf of the City.

Government Code Section 53607 states “.....the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transaction to the legislative body.”

Government Code Section 53649 states “...the treasurer is responsible for the safekeeping of money in his custody and shall enter into any contract with a depository relating to any inactive deposits which in his judgment is to the public advantage.” The City Treasurer will enter into purchases subject to this policy and at the direction of City Council.

In addition, Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate the full responsibility to the treasurer of the local agency.

II. Investment Objectives

A. The purpose of this policy is to provide guidelines for the investment of the City’s funds based upon State law and prudent money management. This policy is designed according to the specific needs of the City of Canyon Lake. The ultimate goal is to enhance the economic status of the City while insuring the safety of funds.

B. The City holds to the “prudent investor rule” in that investments shall be made with a degree of judgment and care, not for speculation, but considering the safety of the monies and acting as a custodian of the public trust. Related activities, which comprise good cash management, include cash projections, the expeditious collection of revenue, disbursement control and a cost effective banking relationship.

C. The investment of the funds of the City of Canyon Lake shall be guided by the goals of safety, liquidity, diversification and return on investments in that order of priority.

Safety: Safety of principal is the foremost objective of the City of Canyon Lake. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk; credit risk and market risk.

Credit Risk - Credit Risk; defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing only with issuers whose financial strength and reputation can be verified to be the highest as rated by nationally known rating agencies and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City’s cash flow.

Market Risk - Market risk, the risk of the market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by (a) structuring the portfolio so that securities mature earlier than or concurrent with the timing of major cash outflows, thus eliminating the need to sell securities prior to their maturity; (b) prohibiting the use of leverage or margin accounts; (c) prohibiting the taking of short positions, that is, selling securities which the City does not own; (d) prohibiting the use of reverse repurchase agreements and repurchase agreements; and (e) prohibiting the use of “inverse floaters”. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured loses are inevitable, and must be considered within the context of the overall investment return.

Liquidity: The City’s financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands.

Return on Investments: The investment portfolio shall be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

III. Deposits/Authorized Investments

A. Deposits

Money must be deposited in State or national banks, State or Federal savings associations, or State or Federal Credit unions within the State. It may be in inactive

deposits, active deposits or interest-bearing active deposits. The FDIC must insure the first \$100,000 of a deposit.

The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110% of the total amount of the deposits. State law also allows as an eligible security, first trust deeds having a value of 150% of the total amount of the deposits. A third class of collateral is letter of credit drawn on the Federal Home Loan Bank (FHLB).

B. Authorized Investments

General Guidelines that the City should follow in managing its investments are as follows:

- No investment will be purchased which matures more than five years from the date of purchase without the prior approval of the City Council.
- Maturities of individual investments shall be diversified, attempting to match, where possible, cyclical cash flow requirements.
- The use of callable securities is permitted.

To reduce overall portfolio risk while attempting to attain market value rates of return consistent with the primary objectives of safety and availability of funds, investments shall be diversified cross types of investments, maturities of those investments, and institutions in which those investments are made. Generally, the portfolio is to be invested in Federal Agency securities, with a modest addition of high-grade Medium Term Corporate Notes, Certificates of Deposit (CD's), U.S. Treasuries and Commercial Paper.

The City specifically prohibits investments in Bonds issued by other local agencies, Reverse Repurchase Agreements and Derivatives (Interest rate floaters, range notes, interest-only strips)

Permitted Investments Per City Policy:

Investments shall be made only in those instruments specifically authorized by California State laws (section 53600-53609), and to no greater an extent than those authorized by those laws.

The City's specific permitted investment guidelines are listed below. It should be noted that the City's permitted investments are moderately more restrictive than the State guidelines. Attachment A provides a summary of the State of California Statues Applicable to Municipal Investments and a Glossary.

| PERMITTED INSTRUMENTS | CITY GUIDELINES |
|--|--|
| State or County Investment Pool (LAIF) | LAIF \$40,000,000 / 50% of portfolio maximum |

| | |
|---------------------------------------|--|
| Federally Insured Banks/Time Deposits | 5 Years / No limit |
| U.S. Treasuries | 5 Years / No limit |
| Government Sponsored Enterprises | 5 Years / No limit |
| Bankers Acceptances | 180 Days / 10% max / 5% per issuer |
| Commercial Paper | 270 Days / 10% max / 10% per issuer combined |
| Medium-Term Notes | 5 Years / 15% max / 5% per issuer combined / 10% max by sector classification |
| Negotiable Certificates of Deposit | 5 Years / 30% max / lesser of 5% or \$1 million per issuer |
| Repurchase Agreements | 1 Year / 10% max Only with Master Repurchase Agreement / Daily mark to market valuation |
| Money Market Mutual Funds | 10% max / \$500 million assets / 5% per issuer |
| Reverse Repurchase Agreements | Not Allowed |
| California State Obligations | Not Allowed |
| California Local Obligations | Not Allowed |
| Mutual Funds | Not Allowed |
| Mortgage Pass Through | Not Allowed |

IV. Investment Program Controls

A. Separation of Reconciliation. A separation of responsibilities of reconciling bank statements and conducting investment transactions provides an internal control of checks and balances. Only individuals authorized by the City Manager and City Clerk may conduct investment transactions. Consequently, individuals responsible for reconciling bank statements may not conduct investment transactions.

B. Third Party Safekeeping Agreements. Contractual agreement between the City and third-party custodian public investment agencies (LAIF) is used to secure City invested funds.

C. Quarterly Treasurer's Report. The City Treasurer shall submit a quarterly investment report to the City Council. This report shall include types of investment, investment ratings, institutions involved, dates of purchases, dates of maturity, amount of deposits or cost of the security, current market value of securities, interest rates, investment fund balances and a statement that there are sufficient funds to meet the City's cash obligations.

D. Annual Policy Review. The City Manager shall review the City’s investment policies annually and as needed to make recommendations for improvements to the City Council.

**ATTACHMENT A:
Summary of State of California Statutes Applicable to Municipal Investment**

The following investments are authorized by California State Code, Title 5, Division 2, Sections 53600 et seq. and 16429.1.

| California Authorized Investments | % Limits & Other Constraints (Key Limitation Summary) |
|---|---|
| Local Agency Bonds | No Limit |
| US Treasury Notes, Bonds, Bills | No limit |
| California State Warrants, Treasury Notes or Bonds | No limit |
| Bonds, Notes, Warrants of any local agency within the State | No limit |
| Federal Agency or United States government-sponsored enterprise obligations | No limit |
| Bankers Acceptances | 40% max overall limitation: 30% max in any one commercial bank: 180 days |
| Commercial Paper | A Domestic Corporation Total Assets in excess of \$500 million At Least “A-1” rated commercial paper 25% max overall limitation: 10% investment max in any single issuer No more than 10% of the outstanding amount for any one issuer 270 days max maturity. |
| Negotiable Certificates of Deposit | Issued by nationally or state-chartered bank, a savings association or a federal association, a state of federal credit union, or a state licensed branch of a foreign bank. 30% max overall limitation |

| | |
|---|---|
| <p>Repurchase Agreements</p> | <p>One Year Term or less Based on code authorized investments 102% underlying security valuation</p> |
| <p>Reverse Repurchase Agreements</p> | <p>Security subject to repurchase has been owned & fully paid for at least 30 days prior to sale</p> <p>20% Maximum limitation Agreement does not exceed 92 days Funds received cannot be used to purchase securities with a maturity longer than 92 days</p> |

| | |
|---|--|
| <p>Medium-Term Corporate Notes</p> | <p>30% maximum overall investment limitation Maximum remaining maturity of 5 Years Domestic corporations Rated “A” or better</p> |
| <p>Shares of Beneficial Interest Issued By Diversified Management Companies (Mutual & Money Market Funds)</p> | <p>20% maximum overall portfolio 10% of any one Mutual Fund Based on code authorized investments Money Market Funds registered with the SEC Attained the Highest Ranking by not less than two nationally recognized rating organizations Assets in excess of \$500 million Investment advisor with not less than five years experience</p> |
| <p>Local Agency Investment Fund</p> | <p><u>\$40 million</u> Maximum overall investment limit</p> |
| <p>Other Obligation Valuation Requirements: (m) Promissory notes secured by first mortgages and first trust deeds which comply with Section 53651.2. (p) With the consent of the treasurer, letters of credit issued by the Federal Home Loan Bank of San Francisco which comply with Section 53651.6.</p> | <p>(a) Eligible securities, except eligible securities of the classes described in subdivisions (m) and (p) of Section 53651, shall have a market value of at least 10 percent in excess of the total amount of all deposits of a depository secured by the eligible securities. (b) Eligible securities of the class described in subdivision (m) of Section 53651 shall have a market value at least 50 percent in excess of the total amount of all deposits of a depository secured by those eligible securities. (c) Eligible securities of the class described in subdivision (p) of Section 53651 shall have a market value of at least 5 percent in excess of the total amount of all deposits of a depository secured by those eligible securities.</p> |

| | |
|---|---|
| <p>Any mortgage pass through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass through certificate, or consumer receivable-backed bond</p> | <p>20% Maximum overall limitation 5 Years Maximum Maturity “AA” national rating or Higher</p> |
|---|---|

| | |
|---|---|
| <p>Moneys held by a trustee or agent pledged to the payment or security of indebtedness, or obligations lease, installment sale, or other agreement of a local agency, or certificates participation in those bonds, indebtedness, or lease installment sale, or other agreements.</p> | <p>May be invested in accordance with the provisions governing the issuance of those bonds, indebtedness, or lease installment agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agency providing for the issuance.</p> |
| <p>Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest</p> | <p>Securities of the types listed by Section 53651 Market value of at least 110% of underlying security value</p> |
| <p>Other Code Restrictions & Clarifications</p> | <p>A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.</p> <p>A local agency shall not invest any funds pursuant to this article or pursuant to (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity.</p> <p>No more than 5 percent of the total assets of the investments held by a local agency may be invested in the securities of any one issuer, except the obligations of the United States government, United States government agencies, and United States government-sponsored enterprises. No more than 10 percent may be invested in any one mutual fund.</p> <p>Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.</p> |

GLOSSARY

ACTIVE DEPOSITS: Demand or checking accounts, which receive revenues and pay disbursements.

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at its maturity. An acceptance is a highgrade negotiable instrument. Acceptances are purchased in various denominations for 30, 60, or 90 days, but no longer than 180 days. The interest is calculated on a 360-day discount basis similar to treasury bills. Local agencies may not invest more than 40% of their surplus money in banker's acceptance.

BASIS POINT: A basis point equals one one-hundredth of 1% (.01%).

BID: The price offered for securities.

BOOK-ENTRY SECURITIES: All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

CERTIFICATES OF DEPOSIT (CD): Time deposits of a bank or savings and loan. They are purchased in various denominations with maturities ranging from 30 to 360 days. The interest is calculated on a 360-day, actual day month basis and is payable monthly.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade

negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of \$1,000,000, the secondary market usually trades in denominations of \$500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks, where there is a secondary market established for continued liquidity are considered for investment.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Canyon Lake. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related, legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COMMERCIAL PAPER: Short-term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing. Local agencies are permitted by State law to invest in commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical ratings as provided by Moody's Investor's Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 270 days maturity nor exceed 30% of the local agency's surplus funds.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of a signed receipt for the securities.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities and issuers offering independent returns.

DERIVATIVE: An asset that derives its value from another asset. For example, a call option on the stock of Coca-Cola is a derivative security that obtains value from the shares of Coca-Cola that can be purchased with the call option. Call options, put options, convertible bonds, futures contracts, and convertible preferred stock are examples of derivatives. A derivative can be either a risky or low-risk investment, depending upon the type of derivative and how it is used.

FEDERAL CREDIT AGENCIES: Guaranteed directly or indirectly by the United States Government. All agency obligations qualify as legal investments and are acceptable as security for public deposits. They usually provide higher yields than regular Treasury issues with all of the same advantages. Examples include Federal Home Loan Bank, Federal Farm Credit Bank, FNMA (Fannie Mae) and Federal Home Loan Mortgage Corp. (Freddie Mac).

FEDERAL FUNDS: Non-interest-bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" also used to refer to these funds.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

INTEREST-BEARING ACTIVE DEPOSITS: Money-market accounts at a financial institution, (e.g., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LAIF (Local Agency Investment Fund): A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum balance of \$40,000,000 for any agency. The City is restricted to a maximum of fifteen transactions per month. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. The State retains an amount for reasonable costs of making the investments, not to exceed one-quarter of one percent of the earnings. The interest rates are fairly high because of pooling the State's surplus cash with the surplus cash deposited. This creates a multi-billion-dollar money pool and allows diversified investments.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM CORPORATE NOTES: Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium-term corporate notes can be defined as extended-maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by a nationally recognized rating service. Further restrictions are a maximum term of five years to maturity and total investments in medium-term corporate notes may not exceed 30% of the local agency's surplus funds.

MONEY MARKET FUNDS: Open-ended mutual fund that invests in highly liquid and safe securities (bills, commercial paper, bankers' acceptances, CD's, etc.) and pays money market rates of interest. The fund's net asset value remains a constant \$1 a share.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNTS: Similar to an inactive deposit except that the period of time is not fixed. The interest rate is much lower than for a certificate of deposit, but the savings account is more flexible. Funds can be deposited and withdrawn according to daily needs.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRIME RATE: The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability

and which has been approved by the Public Deposit Protection Commission to hold public deposits.

REPURCHASE AGREEMENTS (RP OR REPO): A repo or reverse-repo is a short-term investment transaction. Banks buy temporarily idle funds from a customer by selling U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date. Repurchase agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal funds and the maturity of the repo. Some banks will execute repurchase agreements for a minimum of \$100,000 to \$500,000, but most banks have a minimum of \$1,000,000. A reverse-repo is exactly what the name implies.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

TRADE DATE: The date on which a transaction is initiated or entered into by the buyer and seller.

TREASURY BILLS: Issued weekly with maturity dates up to one year. They are issued and traded on a discount basis with interest figured on 1/360-day basis, actual number of days. They are issued in amounts of \$10,000 and up, in multiples of \$5,000. They are a highly liquid security.

TREASURY NOTES: Initially issued with two- to ten-year maturities. They are actively traded in a large secondary market and are very liquid. The Treasury may issue note issues with a minimum of \$1,000; however, the average minimum is \$5,000.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

UNIFORM NET CAPITAL RULE (SEC RULE 15C3-1): Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers

in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WHEN-ISSUED TRADES: Typically, there is a lag between the time a new bond is announced and sold, and the time when it is actually issued. During this interval, the security trades "when, as, and if issued."

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD TO MATURITY: The rate of return yielded by a debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.

ATTACHMENT 2



INVESTMENT POLICY

The City of Canyon Lake has adopted the following policy for the investment of City funds.

I. The Legal Authority

The Authority governing investments for the City of Canyon Lake is set forth in the California Government Code, sections 53601 et. Seq. The City Treasurer is granted authority to make investments on behalf of the City.

Government Code Section 53607 states “.....the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transaction to the legislative body.”

Government Code Section 53649 states “...the treasurer is responsible for the safekeeping of money in his custody and shall enter into any contract with a depository relating to any inactive deposits which in his judgment is to the public advantage.” The City Treasurer will enter into purchases subject to this policy and at the direction of City Council.

In addition, Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate the full responsibility to the treasurer of the local agency.

II. Investment Objectives

A. The purpose of this policy is to provide guidelines for the investment of the City’s funds based upon State law and prudent money management. This policy is designed according to the specific needs of the City of Canyon Lake. The ultimate goal is to enhance the economic status of the City while ensuring the safety of funds.

B. The City holds to the “prudent investor rule” in that investments shall be made with a degree of judgment and care, not for speculation, but considering the safety of the monies and acting as a custodian of the public trust. Related activities, which comprise good cash management, include cash projections, the expeditious collection of revenue, disbursement control and a cost effective banking relationship.

C. The investment of the funds of the City of Canyon Lake shall be guided by the goals of safety, liquidity, diversification and return on investments in that order of priority.

Safety: Safety of principal is the foremost objective of the City of Canyon Lake. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk; credit risk and market risk.

Credit Risk - Credit Risk; defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing only with issuers whose financial strength and reputation can be verified to be the highest as rated by nationally known rating agencies and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City’s cash flow.

Market Risk - Market risk, the risk of the market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by (a) structuring the portfolio so that securities mature earlier than or concurrent with the timing of major cash outflows, thus eliminating the need to sell securities prior to their maturity; (b) prohibiting the use of leverage or margin accounts; (c) prohibiting the taking of short positions, that is, selling securities which the City does not own; (d) prohibiting the use of reverse repurchase agreements and repurchase agreements; and (e) prohibiting the use of “inverse floaters”. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured loses are inevitable, and must be considered within the context of the overall investment return.

Liquidity: The City’s financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands.

Return on Investments: The investment portfolio shall be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

III. Deposits/Authorized Investments

A. Deposits

Money must be deposited in State or national banks, State or Federal savings associations, or State or Federal Credit unions within the State. It may be in inactive

deposits, active deposits or interest-bearing active deposits. The FDIC must insure the first \$250,000 of a deposit.

The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110% of the total amount of the deposits. State law also allows as an eligible security, first trust deeds having a value of 150% of the total amount of the deposits. A third class of collateral is letter of credit drawn on the Federal Home Loan Bank (FHLB).

B. Authorized Investments

General Guidelines that the City should follow in managing its investments are as follows:

- No investment will be purchased which matures more than five years from the date of purchase without the prior approval of the City Council.
- Maturities of individual investments shall be diversified, attempting to match, where possible, cyclical cash flow requirements.
- The use of callable securities is permitted.

To reduce overall portfolio risk while attempting to attain market value rates of return consistent with the primary objectives of safety and availability of funds, investments shall be diversified cross types of investments, maturities of those investments, and institutions in which those investments are made. Generally, the portfolio is to be invested in Federal Agency securities, with a modest addition of high-grade Medium Term Corporate Notes, Certificates of Deposit (CD's), U.S. Treasuries and Commercial Paper.

The City specifically prohibits investments in Bonds issued by other local agencies, Reverse Repurchase Agreements and Derivatives (Interest rate floaters, range notes, interest-only strips)

Permitted Investments Per City Policy:

Investments shall be made only in those instruments specifically authorized by California State laws (section 53600-53609), and to no greater an extent than those authorized by those laws.

The City's specific permitted investment guidelines are listed below. It should be noted that the City's permitted investments are moderately more restrictive than the State guidelines. Attachment A provides a summary of the State of California Statues Applicable to Municipal Investments and a Glossary.

| PERMITTED INSTRUMENTS | CITY GUIDELINES |
|--|--|
| State or County Investment Pool (LAIF) | LAIF \$75,000,000 / 50% of portfolio maximum |

| | |
|---|--|
| Federally Insured Banks/Time Deposits | 5 Years / No limit |
| U.S. Treasuries | 5 Years / No limit |
| Government Sponsored Enterprises *(US Agencies) | 5 Years / No limit |
| Bankers Acceptances | 180 Days / 10% max / 5% per issuer |
| Commercial Paper | 270 Days / 10% max / 10% per issuer combined |
| Medium-Term Notes | 5 Years / 15% max / 5% per issuer combined / 10% max by sector classification |
| Negotiable Certificates of Deposit | 5 Years / 30% max / lesser of 5% or \$1 million per issuer |
| Repurchase Agreements | 1 Year / 10% max Only with Master Repurchase Agreement / Daily mark to market valuation |
| Money Market Mutual Funds | 10% max / \$500 million assets / 5% per issuer |
| Reverse Repurchase Agreements | Not Allowed |
| California State Obligations | Not Allowed |
| California Local Obligations | Not Allowed |
| Mutual Funds | Not Allowed |
| Mortgage Pass Through | Not Allowed |

IV. Investment Program Controls

A. Separation of Reconciliation. A separation of responsibilities of reconciling bank statements and conducting investment transactions provides an internal control of checks and balances. Only individuals authorized by the City Manager and City Clerk may conduct investment transactions. Consequently, individuals responsible for reconciling bank statements may not conduct investment transactions.

B. Third Party Safekeeping Agreements. Contractual agreement between the City and third-party custodian public investment agencies (LAIF) is used to secure City invested funds.

C. Quarterly Treasurer's Report. The City Treasurer shall submit a quarterly investment report to the City Council. This report shall include types of investment, investment ratings, institutions involved, dates of purchases, dates of maturity, amount of deposits or cost of the security, current market value of securities, interest rates, investment fund balances and a statement that there are sufficient funds to meet the City's cash obligations.

D. Annual Policy Review. The City Manager shall review the City's investment policies annually and as needed to make recommendations for improvements to the City Council.

ATTACHMENT A:

Summary of State of California Statutes Applicable to Municipal Investment

The following investments are authorized by California State Code, Title 5, Division 2, Sections 53600 et seq. and 16429.1.

FIGURE 1

ALLOWED INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2023)^a APPLICABLE TO ALL LOCAL AGENCIES^b

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

| INVESTMENT TYPE | MAXIMUM MATURITY ^c | MAXIMUM SPECIFIED % OF PORTFOLIO ^d | MINIMUM QUALITY REQUIREMENTS | GOV'T CODE SECTIONS |
|---|-------------------------------|---|---|------------------------------|
| Local Agency Bonds | 5 years | None | None | 53601(a) |
| U.S. Treasury Obligations | 5 years | None | None | 53601(b) |
| State Obligations—CA And Others | 5 years | None | None | 53601(c) 53601(d) |
| CA Local Agency Obligations | 5 years | None | None | 53601(e) |
| U.S Agency Obligations | 5 years | None | None | 53601(f) |
| Bankers' Acceptances | 180 days | 40% ^e | None | 53601(g) |
| Commercial Paper—Non-Pooled Funds ^g (under \$100,000,000 of investments) | 270 days or less | 25% of the agency's money ^g | Highest letter and number rating by an NRSRO ^h | 53601(h)(2)(c) |
| Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments) | 270 days or less | 40% of the agency's money ^g | Highest letter and number rating by an NRSRO ^h | 53601(h)(2)(c) |
| Commercial Paper—Pooled Funds ⁱ | 270 days or less | 40% of the agency's money ^g | Highest letter and number rating by an NRSRO ^h | 53635(a)(1) |
| Negotiable Certificates of Deposit | 5 years | 30% ^l | None | 53601(i) |
| Non-negotiable Certificates of Deposit | 5 years | None | None | 53630 et seq. |
| Placement Service Deposits | 5 years | 50% ^k | None | 53601.8 and 53635.8 |
| Placement Service Certificates of Deposit | 5 years | 50% ^h | None | 53601.8 and 53635.8 |
| Repurchase Agreements | 1 year | None | None | 53601(j) |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 days ^l | 20% of the base value of the portfolio | None ^h | 53601(j) |
| Medium-Term Notes ^h | 5 years or less | 30% | "A" rating category or its equivalent or better | 53601(k) |
| Mutual Funds And Money Market Mutual Funds | N/A | 20% | Multiple ^{o,q} | 53601(l) and 53601.6(b) |
| Collateralized Bank Deposits ⁿ | 5 years | None | None | 53630 et seq. and 53601(n) |
| Mortgage Pass-Through and Asset-Backed Securities | 5 years or less | 20% | "AA" rating category or its equivalent or better | 53601(o) |
| County Pooled Investment Funds | N/A | None | None | 27133 |
| Joint Powers Authority Pool | N/A | None | Multiple ^s | 53601(p) |
| Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| Voluntary Investment Program Fund ^t | N/A | None | None | 16340 |
| Supranational Obligations ^l | 5 years or less | 30% | "AA" rating category or its equivalent or better | 53601(q) |
| Public Bank Obligations | 5 years | None | None | 53601(r), 53635(c) and 57603 |

LOCAL AGENCY INVESTMENT GUIDELINES

TABLE OF NOTES FOR FIGURE 1

- A Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- B Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- C Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years from the settlement date. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- D Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- E No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- F Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.
- H Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- I Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- K Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- L Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- M Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- N "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- O No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- P A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- Q A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- R Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- S A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- T Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- U Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

GLOSSARY

ACTIVE DEPOSITS: Demand or checking accounts, which receive revenues and pay disbursements.

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at its maturity. An acceptance is a highgrade negotiable instrument. Acceptances are purchased in various denominations for 30, 60, or 90 days, but no longer than 180 days. The interest is calculated on a 360-day discount basis similar to treasury bills. Local agencies may not invest more than 40% of their surplus money in banker's acceptance.

BASIS POINT: A basis point equals one one-hundredth of 1% (.01%).

BID: The price offered for securities.

BOOK-ENTRY SECURITIES: All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

CERTIFICATES OF DEPOSIT (CD): Time deposits of a bank or savings and loan. They are purchased in various denominations with maturities ranging from 30 to 360 days. The interest is calculated on a 360-day, actual day month basis and is payable monthly.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of \$1,000,000, the secondary market usually trades in denominations of \$500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks, where there is a secondary market established for continued liquidity are considered for investment.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Canyon Lake. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related, legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COMMERCIAL PAPER: Short-term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing. Local agencies are permitted by State law to invest in commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical ratings as provided by Moody's Investor's Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 270 days maturity nor exceed 30% of the local agency's surplus funds.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipts is delivery of securities with an exchange of a signed receipt for the securities.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities and issuers offering independent returns.

DERIVATIVE: An asset that derives its value from another asset. For example, a call option on the stock of Coca-Cola is a derivative security that obtains value from the shares of Coca-Cola that can be purchased with the call option. Call options, put options, convertible bonds, futures contracts, and convertible preferred stock are examples of derivatives. A derivative can be either a risky or low-risk investment, depending upon the type of derivative and how it is used.

FEDERAL CREDIT AGENCIES: Guaranteed directly or indirectly by the United States Government. All agency obligations qualify as legal investments and are acceptable as security for public deposits. They usually provide higher yields than regular Treasury issues with all of the same advantages. Examples include Federal Home Loan Bank, Federal Farm Credit Bank, FNMA (Fannie Mae) and Federal Home Loan Mortgage Corp. (Freddie Mac).

FEDERAL FUNDS: Non-interest-bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" also used to refer to these funds.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

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MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM CORPORATE NOTES: Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium-term corporate notes can be defined as extended-maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by a nationally recognized rating service. Further restrictions are a maximum term of five years to maturity and total investments in medium-term corporate notes may not exceed 30% of the local agency's surplus funds.

MONEY MARKET FUNDS: Open-ended mutual fund that invests in highly liquid and safe securities (bills, commercial paper, bankers' acceptances, CD's, etc.) and pays money market rates of interest. The fund's net asset value remains a constant \$1 a share.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNTS: Similar to an inactive deposit except that the period of time is not fixed. The interest rate is much lower than for a certificate of deposit, but the savings account is more flexible. Funds can be deposited and withdrawn according to daily needs.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRIME RATE: The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

REPURCHASE AGREEMENTS (RP OR REPO): A repo or reverse-repo is a short-term investment transaction. Banks buy temporarily idle funds from a customer by selling U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date. Repurchase agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal funds and the maturity of the repo. Some banks will execute repurchase agreements for a minimum of \$100,000 to \$500,000, but most banks have a minimum of \$1,000,000. A reverse-repo is exactly what the name implies.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

TRADE DATE: The date on which a transaction is initiated or entered into by the buyer and seller.

TREASURY BILLS: Issued weekly with maturity dates up to one year. They are issued and traded on a discount basis with interest figured on 1 360-day basis, actual number of days. They are issued in amounts of \$10,000 and up, in multiples of \$5,000. They are a highly liquid security.

TREASURY NOTES: Initially issued with two- to ten-year maturities. They are actively traded in a large secondary market and are very liquid. The Treasury may issue note issues with a minimum of \$1,000; however, the average minimum is \$5,000.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

UNIFORM NET CAPITAL RULE (SEC RULE 15C3-1): Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WHEN-ISSUED TRADES: Typically, there is a lag between the time a new bond is announced and sold, and the time when it is actually issued. During this interval, the security trades "when, as, and if issued."

YIELD: The rate of annual income returns on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD TO MATURITY: The rate of return yielded by a debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.



STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicole Dailey, City Manager

BY: Terry Shea, Finance Director

DATE: September 13, 2023

SUBJECT: Adopt a Resolution Approving an Interfund Loan Agreement between the Rental Fund and the General Fund

Recommendation

Adopt Resolution No. 2023-35, approving an Interfund Loan Agreement between the Rental Fund and the General Fund.

Background

In the last several years, the City of Canyon Lake has purchased two commercial buildings in the Canyon Lake Towne Center as follows:

- 31542 Railroad Canyon Road for \$725,000 on March 30, 2020
- 31520 Railroad Canyon Road for \$400,000 on January 26, 2021

The City financed these purchases with a short-term, variable loan from Citizens Business Bank (CBB) of \$890,000 and a short-term advance from the General Fund of \$246,391, for a total amount of \$1,136,391.

In Fiscal Year 2021-22 due to rising interest rates on the CBB Loan, the City transferred \$326,416 from the General Fund to the Rental Fund to pay down the Loan. The amount transferred was determined by the amount of American Rescue Plan Act (ARPA) funds that were used by the City to offset the Sheriff's costs in the General Fund. By doing so, the City is not required to repay this General Fund expenditure.

The City's current loan balance is \$563,584 with a variable interest rate of 7.75 percent that matures in March of 2024. In addition, the City must repay the previous advance from the General Fund of \$246,391.

Discussion

The two commercial buildings were purchased as investments and were recorded as such in the City's Rental Enterprise Fund. The initial advances from the General Fund were short-term and with the maturing of the CBB Loan, the City must identify a more stable and approved long-term financing agreement.

Due to rising interest rates on the commercial loan, staff is proposing using an interfund loan agreement (internal borrowing) instead of borrowing the funds externally to finance the purchase of both commercial properties at 31542 and 31520 Railroad Canyon Road.

The City's estimated General Fund balance on June 30, 2023 of \$5,998,000 and has sufficient funding available within its uncommitted fund balance. Therefore, staff recommends lending the Rental Fund \$809,975 to finance the remaining balance for these buildings.

The proposed interfund loan would be for a 20-year period with monthly payments of \$4,136.06 beginning October 13, 2023. The interest rate would be 2.17 percent resulting in less interest costs to be paid by the Rental Fund and additional interest income for the General Fund; the total interest on the loan would be approximately \$189,159 over the next 20 years. The interest rate of 2.17 percent was determined based on the annual interest rate for the Local Agency Investment Fund (LAIF) for FY 2022-23.

Fiscal Impact

The proposed interfund loan would result in an overall repayment of \$999,124.40 (principal of \$809,975 and interest of \$189,159) paid in monthly installments over the next 20 years. The cost each Fiscal Year would be \$49,956.72 from the Rental Fund and repaid using Rental Fund revenues.

Attachments

1. Resolution No. 2023-35
2. Purchase Summary & Closing Statements
3. Interfund Loan Agreement

ATTACHMENT 1

RESOLUTION NO. 2023-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPROVING AN INTERFUND LOAN AGREEMENT BETWEEN THE RENTAL FUND AND THE GENERAL FUND

WHEREAS, the City's Rental Fund has purchased two investment properties 31542 and 31520 Railroad Canyon Road financed with a General Fund Short-term Advance and a Commercial Loan; and

WHEREAS, the Commercial Loan of \$563,584 is maturing and the City's Advance of \$246,391 was for a short-term period; and

WHEREAS, for the purchase of the two properties the City needs to have permanent long-term financing; and

WHEREAS, funding for the purchase and financing of the properties will come from an Interfund Loan from the General Fund of \$809,975; and

WHEREAS, repayment of the Interfund Loan will come from the Rental Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. That the City Council does hereby authorize the execution of an Interfund Loan Agreement to finance the purchase of the two commercial properties, 31542 and 31520 Railroad Canyon Road in the amount of \$809,975.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2023.

Jeremy Smith, Mayor

ATTEST:

Sheryl L. Garcia, MMC, CPM
City Clerk

ATTACHMENT 2

**City of Canyon Lake
Commercial Building Loans
Rental Fund**

The City purchased two commercial buildings as follows:

| | | |
|--------------------------------------|----------|--------------------------|
| 31542 Railroad Canyon Road | 03/30/20 | \$ 727,239 |
| 31520 Railroad Canyon road | 01/26/21 | 400,000 |
| Escrow costs expensed on purchase | | 9,152 |
| | | <u>\$ 1,136,391</u> |
| | | |
| General Fund Advance | | \$ 246,391 |
| Citizens Business Bank Loan | | 890,000 |
| | | <u>\$ 1,136,391</u> |
| | | |
| Original Loan Balance | | \$ 890,000 |
| Payment from General Fund transfer | 05/31/22 | <u>(326,416)</u> |
| Balance of Loan | 07/31/23 | 563,584 |
| General Fund Advance | | 246,391 |
| Proposed General Fund Interfund Loan | | <u><u>\$ 809,975</u></u> |

Staff is recommending a 20 year Interfund Loan at the Local Agency Investment Fund (LAIF) rate for Fiscal Year 22/23 of 2.17 % with semiannual payments.

See Local Agency Investment Fund description attached.

The Interfund Loan would not reduce the General Fund Fund Balance.



29737 New Hub Drive ♦ Suite 203 ♦ Menifee, CA 92586
Office: (951) 301 - 0030 ♦ Fax: (951) 301 - 3550

Prepared by: Melissa Macias/Lacy Elliott

BUYER'S FINAL SETTLEMENT STATEMENT

| | | | |
|------------------|---|-----------------------------|------------------|
| PROPERTY: | 31520 Railroad Canyon Road Canyon Lake, CA 92587 | DATE: | January 26, 2021 |
| | | CLOSING/RECORD DATE: | January 25, 2021 |
| | | DISBURSEMENT DATE: | January 26, 2021 |
| BUYER: | City of Canyon Lake, a Municipal Corporation | ESCROW NO.: | 023600-MM |

| | <u>DEBITS</u> | <u>CREDITS</u> |
|--|----------------------|----------------------|
| FINANCIAL CONSIDERATION | | |
| Total Consideration | 400,000.00 | |
| Deposit from City of Canyon Lake, a Municipal Corporation | | 10,000.00 |
| Deposit from City of Canyon Lake, a Municipal Corporation | | 400,000.00 |
| PRORATIONS/ADJUSTMENTS | | |
| County Taxes at \$1,871.21/semi-annually from 01/25/2021 to 07/01/2021 | 1,621.72 | |
| HOA at \$3,285.00/annually from 01/25/2021 to 01/01/2022 | 3,066.00 | |
| RENT PRORATIONS | | |
| Prorated Rents | | 356.20 |
| Prepaid Security Deposits | | 275.00 |
| COMMISSION CHARGES | | |
| Credit from Coldwell Banker Associated Brokers Realty for Credit for Buyer's Closing Costs | | 4,000.00 |
| TITLE/TAXES/RECORDING CHARGES - Fidelity National Title | | |
| Title - Recording Service Fee | 14.45 | |
| ESCROW CHARGES - La Rue Escrow, Inc. | | |
| Title - Escrow Fee | 1,110.00 | |
| Title - Doc Prep, Wire | 40.00 | |
| Title - Electronic Storage Fee | 35.00 | |
| Total Refund | 8,744.03 | |
| TOTAL | \$ 414,631.20 | \$ 414,631.20 |

SAVE THIS STATEMENT FOR INCOME TAX PURPOSES

La Rue ESCROW Inc.

29737 New Hub Drive ♦ Suite 203 ♦ Menifee, CA 92586
Office: (951) 301 - 0030 ♦ Fax: (951) 301 - 3550

Prepared by: Melissa Macias/Lacy Elliott

BUYER'S ESTIMATED SETTLEMENT STATEMENT

| | |
|--|--|
| PROPERTY: 31542 Railroad Canyon Road Canyon Lake, CA 92587 | DATE: March 19, 2020 |
| | CLOSING/RECORD DATE: March 30, 2020 |
| BUYER: City of Canyon Lake, a Municipal Corporation | ESCROW NO.: 022087-MM |

| | <u>DEBITS</u> | <u>CREDITS</u> |
|--|----------------------|----------------------|
| FINANCIAL CONSIDERATION | | |
| Total Consideration | 725,000.00 | |
| Deposit from City of Canyon lake | | 10,000.00 |
| PRORATIONS/ADJUSTMENTS | | |
| County Taxes at \$1,204.47/semi-annually from 03/30/2020 to 07/01/2020 | 608.93 | |
| HOA (3 lots) at \$9,855.00/annually from 03/30/2020 to 02/01/2021 | 8,239.88 | |
| RENT PRORATIONS | | |
| Prorated Rents | | 196.64 |
| OTHER DEBITS/CREDITS | | |
| DeAnza Termite and Pest Control, Inc for Termite Inspection Fee | 85.00 | |
| Customary Buffer for Funds Held | 200.00 | |
| TITLE/TAXES/RECORDING CHARGES - Stewart Title of California, Inc. | | |
| Title - Messenger Fee | 40.00 | |
| Recording Grant Deed | 30.00 | |
| ESCROW CHARGES - La Rue Escrow, Inc. | | |
| Title - Escrow Fee | 1,809.00 | |
| Title - Doc Prep, Wire | 40.00 | |
| Title - Electronic Storage Fee | 35.00 | |
| Funds required | | 725,891.17 |
| TOTAL | \$ 736,087.81 | \$ 736,087.81 |

THIS IS AN ESTIMATE ONLY AND FIGURES ARE SUBJECT TO CHANGE

City of Canyon Lake, a Municipal Corporation

By: _____



| | |
|------------|---|
| 725,000.00 | + |
| 85.00 | + |
| 200.00 | + |
| 40.00 | + |
| 30.00 | + |
| 1,809.00 | + |
| 40.00 | + |
| 35.00 | = |
| ----- | |
| 727,239.00 | |

ATTACHMENT 3

INTERFUND LOAN AGREEMENT

This Interfund Loan Agreement (“Agreement”) is executed as of September 13, 2023 (“Effective Date”), between the City of Canyon Lake General Fund (“Lender”) and the City of Canyon Lake Rental Fund (“Borrower”) (collectively “parties”). Lender agrees to lend to Borrower, and Borrower agrees to repay Lender, an amount not to exceed the Principal Amount and interest accrued on the unpaid loan balance (hereafter “loan”), in accordance with the following:

1. **Purpose of the Loan:** To provide funds for the purchase of Commercial Property at 31542 Railroad Canyon Road and 31520 Railroad Canyon Road (cost not to exceed Eight Hundred Nine Thousand Nine Hundred Seventy-Five Dollars (\$809,975)). The loan shall account for borrowing between City of Canyon Lake General Fund and City of Canyon Lake Rental Fund.
2. **Principal Loan Amount:** Not to exceed Eight Hundred Nine Thousand Nine Hundred Seventy-Five Dollars (\$809,975). The loan will be recorded as receivable to the Lender and payable to the Borrower.
3. **Term of the Loan:** The term of this loan is twenty (20) years, beginning on the Effective Date, and shall be repaid in full by September 13, 2043.
4. **Scheduled Payments.** Borrower shall make payments in accordance with the attached loan amortization schedule (Attachment “A” hereto). Borrower shall make monthly payments beginning October 13, 2023. Payments will be credited first to any loan interest then due, and then to the loan principal balance. Borrower may make partial or complete payment of the principal balance and earned interest at any time before its due date and without any prepayment penalty.
5. **Repayment Source.** The City shall repay the Lending Fund, out of funds of the Borrowing Fund, the full principal balance of the Loan plus accrued interest on or before the expiration of the term. City may repay the Loan in full or part at any time prior to the expiration of the term and there shall be no prepayment penalty. The entire unpaid balance of the Loan plus accrued interest is due and payable no later than the expiration of the term. City commits to take such reasonable and fiscally prudent measures to assure that the Borrowing Fund will be able to repay the Lending Fund, and if for any reason the balance of the Borrowing Fund is unable to repay the Lending Fund in full, then the City shall pay any remaining balance out of its general funds.
6. **Rate of Interest.** Interest shall accrue at a rate of 2.17%, which is equal to the Local Agency Investment Fund (LAIF) rate for FY 2022-23. Any interest not paid when due shall bear interest from its due date at the rate specified above. Loan interest will be recorded as revenue to the Lender and expenditure to the Borrower.
7. **Compliance with Laws.** The parties shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

8. General Provisions. This Agreement constitutes the full Agreement by and between the parties and no other representations have been made regarding the contents of this Agreement. This Agreement shall not be amended, modified, or altered in any respect unless such amendment, modification, or alteration has been reduced to writing and executed by both parties.

LENDER
City of Canyon Lake
General Fund

BORROWER
City of Canyon Lake
Rental Fund

APPROVED AND EXECUTED by signature of the following authorized representatives of the City on September 13, 2023.

CITY OF CANYON LAKE

By: _____
Jeremy Smith, Mayor

ATTEST:

Sheryl Garcia, MMC, CPM
City Clerk

APPROVED AS TO FORM

Steven P. Graham, City Attorney

By: _____

By: _____

REVIEWED AND RECOMMENDED

Nicole Dailey, City Manager

By: _____

ATTACHMENT "A"
LOAN AMORITIZATION SCHEDULE

[to be attached]

Compounding Period: Monthly

Nominal Annual Rate: 2.170%

Cash Flow Data - Loans and Payments

| | Event | Date | Amount | Number | Period | End Date |
|---|---------|------------|------------|--------|---------|------------|
| 1 | Loan | 09/13/2023 | 809,975.00 | 1 | | |
| 2 | Payment | 10/13/2023 | 4,163.06 | 240 | Monthly | 09/13/2043 |

TValue Amortization Schedule - Normal, 365 Day Year

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|------------------|------------------|------------|
| Loan | 09/13/2023 | | | | 809,975.00 |
| 1 | 10/13/2023 | 4,163.06 | 1,464.70 | 2,698.36 | 807,276.64 |
| 2 | 11/13/2023 | 4,163.06 | 1,459.83 | 2,703.23 | 804,573.41 |
| 3 | 12/13/2023 | 4,163.06 | 1,454.94 | 2,708.12 | 801,865.29 |
| 4 | 01/13/2024 | 4,163.06 | 1,450.04 | 2,713.02 | 799,152.27 |
| 5 | 02/13/2024 | 4,163.06 | 1,445.13 | 2,717.93 | 796,434.34 |
| 6 | 03/13/2024 | 4,163.06 | 1,440.22 | 2,722.84 | 793,711.50 |
| 7 | 04/13/2024 | 4,163.06 | 1,435.29 | 2,727.77 | 790,983.73 |
| 8 | 05/13/2024 | 4,163.06 | 1,430.36 | 2,732.70 | 788,251.03 |
| 9 | 06/13/2024 | 4,163.06 | 1,425.42 | 2,737.64 | 785,513.39 |
| 2024 Totals | | 37,467.54 | 13,005.93 | 24,461.61 | |
| 10 | 07/13/2024 | 4,163.06 | 1,420.47 | 2,742.59 | 782,770.80 |
| 11 | 08/13/2024 | 4,163.06 | 1,415.51 | 2,747.55 | 780,023.25 |
| 12 | 09/13/2024 | 4,163.06 | 1,410.54 | 2,752.52 | 777,270.73 |
| 13 | 10/13/2024 | 4,163.06 | 1,405.56 | 2,757.50 | 774,513.23 |
| 14 | 11/13/2024 | 4,163.06 | 1,400.58 | 2,762.48 | 771,750.75 |
| 15 | 12/13/2024 | 4,163.06 | 1,395.58 | 2,767.48 | 768,983.27 |
| 16 | 01/13/2025 | 4,163.06 | 1,390.58 | 2,772.48 | 766,210.79 |
| 17 | 02/13/2025 | 4,163.06 | 1,385.56 | 2,777.50 | 763,433.29 |
| 18 | 03/13/2025 | 4,163.06 | 1,380.54 | 2,782.52 | 760,650.77 |
| 19 | 04/13/2025 | 4,163.06 | 1,375.51 | 2,787.55 | 757,863.22 |
| 20 | 05/13/2025 | 4,163.06 | 1,370.47 | 2,792.59 | 755,070.63 |
| 21 | 06/13/2025 | 4,163.06 | 1,365.42 | 2,797.64 | 752,272.99 |
| 2025 Totals | | 49,956.72 | 16,716.32 | 33,240.40 | |
| 22 | 07/13/2025 | 4,163.06 | 1,360.36 | 2,802.70 | 749,470.29 |
| 23 | 08/13/2025 | 4,163.06 | 1,355.29 | 2,807.77 | 746,662.52 |
| 24 | 09/13/2025 | 4,163.06 | 1,350.21 | 2,812.85 | 743,849.67 |
| 25 | 10/13/2025 | 4,163.06 | 1,345.13 | 2,817.93 | 741,031.74 |
| 26 | 11/13/2025 | 4,163.06 | 1,340.03 | 2,823.03 | 738,208.71 |

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|------------------|------------------|------------|
| 27 | 12/13/2025 | 4,163.06 | 1,334.93 | 2,828.13 | 735,380.58 |
| 28 | 01/13/2026 | 4,163.06 | 1,329.81 | 2,833.25 | 732,547.33 |
| 29 | 02/13/2026 | 4,163.06 | 1,324.69 | 2,838.37 | 729,708.96 |
| 30 | 03/13/2026 | 4,163.06 | 1,319.56 | 2,843.50 | 726,865.46 |
| 31 | 04/13/2026 | 4,163.06 | 1,314.42 | 2,848.64 | 724,016.82 |
| 32 | 05/13/2026 | 4,163.06 | 1,309.26 | 2,853.80 | 721,163.02 |
| 33 | 06/13/2026 | 4,163.06 | 1,304.10 | 2,858.96 | 718,304.06 |
| 2026 Totals | | 49,956.72 | 15,987.79 | 33,968.93 | |
| 34 | 07/13/2026 | 4,163.06 | 1,298.93 | 2,864.13 | 715,439.93 |
| 35 | 08/13/2026 | 4,163.06 | 1,293.75 | 2,869.31 | 712,570.62 |
| 36 | 09/13/2026 | 4,163.06 | 1,288.57 | 2,874.49 | 709,696.13 |
| 37 | 10/13/2026 | 4,163.06 | 1,283.37 | 2,879.69 | 706,816.44 |
| 38 | 11/13/2026 | 4,163.06 | 1,278.16 | 2,884.90 | 703,931.54 |
| 39 | 12/13/2026 | 4,163.06 | 1,272.94 | 2,890.12 | 701,041.42 |
| 40 | 01/13/2027 | 4,163.06 | 1,267.72 | 2,895.34 | 698,146.08 |
| 41 | 02/13/2027 | 4,163.06 | 1,262.48 | 2,900.58 | 695,245.50 |
| 42 | 03/13/2027 | 4,163.06 | 1,257.24 | 2,905.82 | 692,339.68 |
| 43 | 04/13/2027 | 4,163.06 | 1,251.98 | 2,911.08 | 689,428.60 |
| 44 | 05/13/2027 | 4,163.06 | 1,246.72 | 2,916.34 | 686,512.26 |
| 45 | 06/13/2027 | 4,163.06 | 1,241.44 | 2,921.62 | 683,590.64 |
| 2027 Totals | | 49,956.72 | 15,243.30 | 34,713.42 | |
| 46 | 07/13/2027 | 4,163.06 | 1,236.16 | 2,926.90 | 680,663.74 |
| 47 | 08/13/2027 | 4,163.06 | 1,230.87 | 2,932.19 | 677,731.55 |
| 48 | 09/13/2027 | 4,163.06 | 1,225.56 | 2,937.50 | 674,794.05 |
| 49 | 10/13/2027 | 4,163.06 | 1,220.25 | 2,942.81 | 671,851.24 |
| 50 | 11/13/2027 | 4,163.06 | 1,214.93 | 2,948.13 | 668,903.11 |
| 51 | 12/13/2027 | 4,163.06 | 1,209.60 | 2,953.46 | 665,949.65 |
| 52 | 01/13/2028 | 4,163.06 | 1,204.26 | 2,958.80 | 662,990.85 |
| 53 | 02/13/2028 | 4,163.06 | 1,198.91 | 2,964.15 | 660,026.70 |
| 54 | 03/13/2028 | 4,163.06 | 1,193.55 | 2,969.51 | 657,057.19 |
| 55 | 04/13/2028 | 4,163.06 | 1,188.18 | 2,974.88 | 654,082.31 |
| 56 | 05/13/2028 | 4,163.06 | 1,182.80 | 2,980.26 | 651,102.05 |
| 57 | 06/13/2028 | 4,163.06 | 1,177.41 | 2,985.65 | 648,116.40 |
| 2028 Totals | | 49,956.72 | 14,482.48 | 35,474.24 | |
| 58 | 07/13/2028 | 4,163.06 | 1,172.01 | 2,991.05 | 645,125.35 |
| 59 | 08/13/2028 | 4,163.06 | 1,166.60 | 2,996.46 | 642,128.89 |
| 60 | 09/13/2028 | 4,163.06 | 1,161.18 | 3,001.88 | 639,127.01 |
| 61 | 10/13/2028 | 4,163.06 | 1,155.75 | 3,007.31 | 636,119.70 |
| 62 | 11/13/2028 | 4,163.06 | 1,150.32 | 3,012.74 | 633,106.96 |
| 63 | 12/13/2028 | 4,163.06 | 1,144.87 | 3,018.19 | 630,088.77 |
| 64 | 01/13/2029 | 4,163.06 | 1,139.41 | 3,023.65 | 627,065.12 |
| 65 | 02/13/2029 | 4,163.06 | 1,133.94 | 3,029.12 | 624,036.00 |
| 66 | 03/13/2029 | 4,163.06 | 1,128.47 | 3,034.59 | 621,001.41 |

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|------------------|------------------|------------|
| 67 | 04/13/2029 | 4,163.06 | 1,122.98 | 3,040.08 | 617,961.33 |
| 68 | 05/13/2029 | 4,163.06 | 1,117.48 | 3,045.58 | 614,915.75 |
| 69 | 06/13/2029 | 4,163.06 | 1,111.97 | 3,051.09 | 611,864.66 |
| 2029 Totals | | 49,956.72 | 13,704.98 | 36,251.74 | |
| 70 | 07/13/2029 | 4,163.06 | 1,106.46 | 3,056.60 | 608,808.06 |
| 71 | 08/13/2029 | 4,163.06 | 1,100.93 | 3,062.13 | 605,745.93 |
| 72 | 09/13/2029 | 4,163.06 | 1,095.39 | 3,067.67 | 602,678.26 |
| 73 | 10/13/2029 | 4,163.06 | 1,089.84 | 3,073.22 | 599,605.04 |
| 74 | 11/13/2029 | 4,163.06 | 1,084.29 | 3,078.77 | 596,526.27 |
| 75 | 12/13/2029 | 4,163.06 | 1,078.72 | 3,084.34 | 593,441.93 |
| 76 | 01/13/2030 | 4,163.06 | 1,073.14 | 3,089.92 | 590,352.01 |
| 77 | 02/13/2030 | 4,163.06 | 1,067.55 | 3,095.51 | 587,256.50 |
| 78 | 03/13/2030 | 4,163.06 | 1,061.96 | 3,101.10 | 584,155.40 |
| 79 | 04/13/2030 | 4,163.06 | 1,056.35 | 3,106.71 | 581,048.69 |
| 80 | 05/13/2030 | 4,163.06 | 1,050.73 | 3,112.33 | 577,936.36 |
| 81 | 06/13/2030 | 4,163.06 | 1,045.10 | 3,117.96 | 574,818.40 |
| 2030 Totals | | 49,956.72 | 12,910.46 | 37,046.26 | |
| 82 | 07/13/2030 | 4,163.06 | 1,039.46 | 3,123.60 | 571,694.80 |
| 83 | 08/13/2030 | 4,163.06 | 1,033.81 | 3,129.25 | 568,565.55 |
| 84 | 09/13/2030 | 4,163.06 | 1,028.16 | 3,134.90 | 565,430.65 |
| 85 | 10/13/2030 | 4,163.06 | 1,022.49 | 3,140.57 | 562,290.08 |
| 86 | 11/13/2030 | 4,163.06 | 1,016.81 | 3,146.25 | 559,143.83 |
| 87 | 12/13/2030 | 4,163.06 | 1,011.12 | 3,151.94 | 555,991.89 |
| 88 | 01/13/2031 | 4,163.06 | 1,005.42 | 3,157.64 | 552,834.25 |
| 89 | 02/13/2031 | 4,163.06 | 999.71 | 3,163.35 | 549,670.90 |
| 90 | 03/13/2031 | 4,163.06 | 993.99 | 3,169.07 | 546,501.83 |
| 91 | 04/13/2031 | 4,163.06 | 988.26 | 3,174.80 | 543,327.03 |
| 92 | 05/13/2031 | 4,163.06 | 982.52 | 3,180.54 | 540,146.49 |
| 93 | 06/13/2031 | 4,163.06 | 976.76 | 3,186.30 | 536,960.19 |
| 2031 Totals | | 49,956.72 | 12,098.51 | 37,858.21 | |
| 94 | 07/13/2031 | 4,163.06 | 971.00 | 3,192.06 | 533,768.13 |
| 95 | 08/13/2031 | 4,163.06 | 965.23 | 3,197.83 | 530,570.30 |
| 96 | 09/13/2031 | 4,163.06 | 959.45 | 3,203.61 | 527,366.69 |
| 97 | 10/13/2031 | 4,163.06 | 953.65 | 3,209.41 | 524,157.28 |
| 98 | 11/13/2031 | 4,163.06 | 947.85 | 3,215.21 | 520,942.07 |
| 99 | 12/13/2031 | 4,163.06 | 942.04 | 3,221.02 | 517,721.05 |
| 100 | 01/13/2032 | 4,163.06 | 936.21 | 3,226.85 | 514,494.20 |
| 101 | 02/13/2032 | 4,163.06 | 930.38 | 3,232.68 | 511,261.52 |
| 102 | 03/13/2032 | 4,163.06 | 924.53 | 3,238.53 | 508,022.99 |
| 103 | 04/13/2032 | 4,163.06 | 918.67 | 3,244.39 | 504,778.60 |
| 104 | 05/13/2032 | 4,163.06 | 912.81 | 3,250.25 | 501,528.35 |
| 105 | 06/13/2032 | 4,163.06 | 906.93 | 3,256.13 | 498,272.22 |

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|------------------|------------------|------------|
| 2032 Totals | | 49,956.72 | 11,268.75 | 38,687.97 | |
| 106 | 07/13/2032 | 4,163.06 | 901.04 | 3,262.02 | 495,010.20 |
| 107 | 08/13/2032 | 4,163.06 | 895.14 | 3,267.92 | 491,742.28 |
| 108 | 09/13/2032 | 4,163.06 | 889.23 | 3,273.83 | 488,468.45 |
| 109 | 10/13/2032 | 4,163.06 | 883.31 | 3,279.75 | 485,188.70 |
| 110 | 11/13/2032 | 4,163.06 | 877.38 | 3,285.68 | 481,903.02 |
| 111 | 12/13/2032 | 4,163.06 | 871.44 | 3,291.62 | 478,611.40 |
| 112 | 01/13/2033 | 4,163.06 | 865.49 | 3,297.57 | 475,313.83 |
| 113 | 02/13/2033 | 4,163.06 | 859.53 | 3,303.53 | 472,010.30 |
| 114 | 03/13/2033 | 4,163.06 | 853.55 | 3,309.51 | 468,700.79 |
| 115 | 04/13/2033 | 4,163.06 | 847.57 | 3,315.49 | 465,385.30 |
| 116 | 05/13/2033 | 4,163.06 | 841.57 | 3,321.49 | 462,063.81 |
| 117 | 06/13/2033 | 4,163.06 | 835.57 | 3,327.49 | 458,736.32 |
| 2033 Totals | | 49,956.72 | 10,420.82 | 39,535.90 | |
| 118 | 07/13/2033 | 4,163.06 | 829.55 | 3,333.51 | 455,402.81 |
| 119 | 08/13/2033 | 4,163.06 | 823.52 | 3,339.54 | 452,063.27 |
| 120 | 09/13/2033 | 4,163.06 | 817.48 | 3,345.58 | 448,717.69 |
| 121 | 10/13/2033 | 4,163.06 | 811.43 | 3,351.63 | 445,366.06 |
| 122 | 11/13/2033 | 4,163.06 | 805.37 | 3,357.69 | 442,008.37 |
| 123 | 12/13/2033 | 4,163.06 | 799.30 | 3,363.76 | 438,644.61 |
| 124 | 01/13/2034 | 4,163.06 | 793.22 | 3,369.84 | 435,274.77 |
| 125 | 02/13/2034 | 4,163.06 | 787.12 | 3,375.94 | 431,898.83 |
| 126 | 03/13/2034 | 4,163.06 | 781.02 | 3,382.04 | 428,516.79 |
| 127 | 04/13/2034 | 4,163.06 | 774.90 | 3,388.16 | 425,128.63 |
| 128 | 05/13/2034 | 4,163.06 | 768.77 | 3,394.29 | 421,734.34 |
| 129 | 06/13/2034 | 4,163.06 | 762.64 | 3,400.42 | 418,333.92 |
| 2034 Totals | | 49,956.72 | 9,554.32 | 40,402.40 | |
| 130 | 07/13/2034 | 4,163.06 | 756.49 | 3,406.57 | 414,927.35 |
| 131 | 08/13/2034 | 4,163.06 | 750.33 | 3,412.73 | 411,514.62 |
| 132 | 09/13/2034 | 4,163.06 | 744.16 | 3,418.90 | 408,095.72 |
| 133 | 10/13/2034 | 4,163.06 | 737.97 | 3,425.09 | 404,670.63 |
| 134 | 11/13/2034 | 4,163.06 | 731.78 | 3,431.28 | 401,239.35 |
| 135 | 12/13/2034 | 4,163.06 | 725.57 | 3,437.49 | 397,801.86 |
| 136 | 01/13/2035 | 4,163.06 | 719.36 | 3,443.70 | 394,358.16 |
| 137 | 02/13/2035 | 4,163.06 | 713.13 | 3,449.93 | 390,908.23 |
| 138 | 03/13/2035 | 4,163.06 | 706.89 | 3,456.17 | 387,452.06 |
| 139 | 04/13/2035 | 4,163.06 | 700.64 | 3,462.42 | 383,989.64 |
| 140 | 05/13/2035 | 4,163.06 | 694.38 | 3,468.68 | 380,520.96 |
| 141 | 06/13/2035 | 4,163.06 | 688.11 | 3,474.95 | 377,046.01 |
| 2035 Totals | | 49,956.72 | 8,668.81 | 41,287.91 | |
| 142 | 07/13/2035 | 4,163.06 | 681.82 | 3,481.24 | 373,564.77 |
| 143 | 08/13/2035 | 4,163.06 | 675.53 | 3,487.53 | 370,077.24 |

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|-----------------|------------------|------------|
| 144 | 09/13/2035 | 4,163.06 | 669.22 | 3,493.84 | 366,583.40 |
| 145 | 10/13/2035 | 4,163.06 | 662.90 | 3,500.16 | 363,083.24 |
| 146 | 11/13/2035 | 4,163.06 | 656.58 | 3,506.48 | 359,576.76 |
| 147 | 12/13/2035 | 4,163.06 | 650.23 | 3,512.83 | 356,063.93 |
| 148 | 01/13/2036 | 4,163.06 | 643.88 | 3,519.18 | 352,544.75 |
| 149 | 02/13/2036 | 4,163.06 | 637.52 | 3,525.54 | 349,019.21 |
| 150 | 03/13/2036 | 4,163.06 | 631.14 | 3,531.92 | 345,487.29 |
| 151 | 04/13/2036 | 4,163.06 | 624.76 | 3,538.30 | 341,948.99 |
| 152 | 05/13/2036 | 4,163.06 | 618.36 | 3,544.70 | 338,404.29 |
| 153 | 06/13/2036 | 4,163.06 | 611.95 | 3,551.11 | 334,853.18 |
| 2036 Totals | | 49,956.72 | 7,763.89 | 42,192.83 | |
| 154 | 07/13/2036 | 4,163.06 | 605.53 | 3,557.53 | 331,295.65 |
| 155 | 08/13/2036 | 4,163.06 | 599.09 | 3,563.97 | 327,731.68 |
| 156 | 09/13/2036 | 4,163.06 | 592.65 | 3,570.41 | 324,161.27 |
| 157 | 10/13/2036 | 4,163.06 | 586.19 | 3,576.87 | 320,584.40 |
| 158 | 11/13/2036 | 4,163.06 | 579.72 | 3,583.34 | 317,001.06 |
| 159 | 12/13/2036 | 4,163.06 | 573.24 | 3,589.82 | 313,411.24 |
| 160 | 01/13/2037 | 4,163.06 | 566.75 | 3,596.31 | 309,814.93 |
| 161 | 02/13/2037 | 4,163.06 | 560.25 | 3,602.81 | 306,212.12 |
| 162 | 03/13/2037 | 4,163.06 | 553.73 | 3,609.33 | 302,602.79 |
| 163 | 04/13/2037 | 4,163.06 | 547.21 | 3,615.85 | 298,986.94 |
| 164 | 05/13/2037 | 4,163.06 | 540.67 | 3,622.39 | 295,364.55 |
| 165 | 06/13/2037 | 4,163.06 | 534.12 | 3,628.94 | 291,735.61 |
| 2037 Totals | | 49,956.72 | 6,839.15 | 43,117.57 | |
| 166 | 07/13/2037 | 4,163.06 | 527.56 | 3,635.50 | 288,100.11 |
| 167 | 08/13/2037 | 4,163.06 | 520.98 | 3,642.08 | 284,458.03 |
| 168 | 09/13/2037 | 4,163.06 | 514.39 | 3,648.67 | 280,809.36 |
| 169 | 10/13/2037 | 4,163.06 | 507.80 | 3,655.26 | 277,154.10 |
| 170 | 11/13/2037 | 4,163.06 | 501.19 | 3,661.87 | 273,492.23 |
| 171 | 12/13/2037 | 4,163.06 | 494.57 | 3,668.49 | 269,823.74 |
| 172 | 01/13/2038 | 4,163.06 | 487.93 | 3,675.13 | 266,148.61 |
| 173 | 02/13/2038 | 4,163.06 | 481.29 | 3,681.77 | 262,466.84 |
| 174 | 03/13/2038 | 4,163.06 | 474.63 | 3,688.43 | 258,778.41 |
| 175 | 04/13/2038 | 4,163.06 | 467.96 | 3,695.10 | 255,083.31 |
| 176 | 05/13/2038 | 4,163.06 | 461.28 | 3,701.78 | 251,381.53 |
| 177 | 06/13/2038 | 4,163.06 | 454.58 | 3,708.48 | 247,673.05 |
| 2038 Totals | | 49,956.72 | 5,894.16 | 44,062.56 | |
| 178 | 07/13/2038 | 4,163.06 | 447.88 | 3,715.18 | 243,957.87 |
| 179 | 08/13/2038 | 4,163.06 | 441.16 | 3,721.90 | 240,235.97 |
| 180 | 09/13/2038 | 4,163.06 | 434.43 | 3,728.63 | 236,507.34 |
| 181 | 10/13/2038 | 4,163.06 | 427.68 | 3,735.38 | 232,771.96 |
| 182 | 11/13/2038 | 4,163.06 | 420.93 | 3,742.13 | 229,029.83 |
| 183 | 12/13/2038 | 4,163.06 | 414.16 | 3,748.90 | 225,280.93 |

| | Date | Payment | Interest | Principal | Balance |
|--------------------|------------|------------------|-----------------|------------------|------------|
| 184 | 01/13/2039 | 4,163.06 | 407.38 | 3,755.68 | 221,525.25 |
| 185 | 02/13/2039 | 4,163.06 | 400.59 | 3,762.47 | 217,762.78 |
| 186 | 03/13/2039 | 4,163.06 | 393.79 | 3,769.27 | 213,993.51 |
| 187 | 04/13/2039 | 4,163.06 | 386.97 | 3,776.09 | 210,217.42 |
| 188 | 05/13/2039 | 4,163.06 | 380.14 | 3,782.92 | 206,434.50 |
| 189 | 06/13/2039 | 4,163.06 | 373.30 | 3,789.76 | 202,644.74 |
| 2039 Totals | | 49,956.72 | 4,928.41 | 45,028.31 | |
| 190 | 07/13/2039 | 4,163.06 | 366.45 | 3,796.61 | 198,848.13 |
| 191 | 08/13/2039 | 4,163.06 | 359.58 | 3,803.48 | 195,044.65 |
| 192 | 09/13/2039 | 4,163.06 | 352.71 | 3,810.35 | 191,234.30 |
| 193 | 10/13/2039 | 4,163.06 | 345.82 | 3,817.24 | 187,417.06 |
| 194 | 11/13/2039 | 4,163.06 | 338.91 | 3,824.15 | 183,592.91 |
| 195 | 12/13/2039 | 4,163.06 | 332.00 | 3,831.06 | 179,761.85 |
| 196 | 01/13/2040 | 4,163.06 | 325.07 | 3,837.99 | 175,923.86 |
| 197 | 02/13/2040 | 4,163.06 | 318.13 | 3,844.93 | 172,078.93 |
| 198 | 03/13/2040 | 4,163.06 | 311.18 | 3,851.88 | 168,227.05 |
| 199 | 04/13/2040 | 4,163.06 | 304.21 | 3,858.85 | 164,368.20 |
| 200 | 05/13/2040 | 4,163.06 | 297.23 | 3,865.83 | 160,502.37 |
| 201 | 06/13/2040 | 4,163.06 | 290.24 | 3,872.82 | 156,629.55 |
| 2040 Totals | | 49,956.72 | 3,941.53 | 46,015.19 | |
| 202 | 07/13/2040 | 4,163.06 | 283.24 | 3,879.82 | 152,749.73 |
| 203 | 08/13/2040 | 4,163.06 | 276.22 | 3,886.84 | 148,862.89 |
| 204 | 09/13/2040 | 4,163.06 | 269.19 | 3,893.87 | 144,969.02 |
| 205 | 10/13/2040 | 4,163.06 | 262.15 | 3,900.91 | 141,068.11 |
| 206 | 11/13/2040 | 4,163.06 | 255.10 | 3,907.96 | 137,160.15 |
| 207 | 12/13/2040 | 4,163.06 | 248.03 | 3,915.03 | 133,245.12 |
| 208 | 01/13/2041 | 4,163.06 | 240.95 | 3,922.11 | 129,323.01 |
| 209 | 02/13/2041 | 4,163.06 | 233.86 | 3,929.20 | 125,393.81 |
| 210 | 03/13/2041 | 4,163.06 | 226.75 | 3,936.31 | 121,457.50 |
| 211 | 04/13/2041 | 4,163.06 | 219.64 | 3,943.42 | 117,514.08 |
| 212 | 05/13/2041 | 4,163.06 | 212.50 | 3,950.56 | 113,563.52 |
| 213 | 06/13/2041 | 4,163.06 | 205.36 | 3,957.70 | 109,605.82 |
| 2041 Totals | | 49,956.72 | 2,932.99 | 47,023.73 | |
| 214 | 07/13/2041 | 4,163.06 | 198.20 | 3,964.86 | 105,640.96 |
| 215 | 08/13/2041 | 4,163.06 | 191.03 | 3,972.03 | 101,668.93 |
| 216 | 09/13/2041 | 4,163.06 | 183.85 | 3,979.21 | 97,689.72 |
| 217 | 10/13/2041 | 4,163.06 | 176.66 | 3,986.40 | 93,703.32 |
| 218 | 11/13/2041 | 4,163.06 | 169.45 | 3,993.61 | 89,709.71 |
| 219 | 12/13/2041 | 4,163.06 | 162.23 | 4,000.83 | 85,708.88 |
| 220 | 01/13/2042 | 4,163.06 | 154.99 | 4,008.07 | 81,700.81 |
| 221 | 02/13/2042 | 4,163.06 | 147.74 | 4,015.32 | 77,685.49 |
| 222 | 03/13/2042 | 4,163.06 | 140.48 | 4,022.58 | 73,662.91 |
| 223 | 04/13/2042 | 4,163.06 | 133.21 | 4,029.85 | 69,633.06 |

| | Date | Payment | Interest | Principal | Balance |
|---------------------|----------------|-------------------|-------------------|-------------------|-----------|
| | 224 05/13/2042 | 4,163.06 | 125.92 | 4,037.14 | 65,595.92 |
| | 225 06/13/2042 | 4,163.06 | 118.62 | 4,044.44 | 61,551.48 |
| 2042 Totals | | 49,956.72 | 1,902.38 | 48,054.34 | |
| | 226 07/13/2042 | 4,163.06 | 111.31 | 4,051.75 | 57,499.73 |
| | 227 08/13/2042 | 4,163.06 | 103.98 | 4,059.08 | 53,440.65 |
| | 228 09/13/2042 | 4,163.06 | 96.64 | 4,066.42 | 49,374.23 |
| | 229 10/13/2042 | 4,163.06 | 89.29 | 4,073.77 | 45,300.46 |
| | 230 11/13/2042 | 4,163.06 | 81.92 | 4,081.14 | 41,219.32 |
| | 231 12/13/2042 | 4,163.06 | 74.54 | 4,088.52 | 37,130.80 |
| | 232 01/13/2043 | 4,163.06 | 67.14 | 4,095.92 | 33,034.88 |
| | 233 02/13/2043 | 4,163.06 | 59.74 | 4,103.32 | 28,931.56 |
| | 234 03/13/2043 | 4,163.06 | 52.32 | 4,110.74 | 24,820.82 |
| | 235 04/13/2043 | 4,163.06 | 44.88 | 4,118.18 | 20,702.64 |
| | 236 05/13/2043 | 4,163.06 | 37.44 | 4,125.62 | 16,577.02 |
| | 237 06/13/2043 | 4,163.06 | 29.98 | 4,133.08 | 12,443.94 |
| 2043 Totals | | 49,956.72 | 849.18 | 49,107.54 | |
| | 238 07/13/2043 | 4,163.06 | 22.50 | 4,140.56 | 8,303.38 |
| | 239 08/13/2043 | 4,163.06 | 15.02 | 4,148.04 | 4,155.34 |
| | 240 09/13/2043 | 4,163.06 | 7.72 | 4,155.34 | 0.00 |
| 2044 Totals | | 12,489.18 | 45.24 | 12,443.94 | |
| Grand Totals | | 999,134.40 | 189,159.40 | 809,975.00 | |

Last interest amount increased by 0.21 due to rounding.

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE | Amount Financed | Total of Payments |
|---|---|---|--|
| The cost of your credit as a yearly rate. | The dollar amount the credit will cost you. | The amount of credit provided to you or on your behalf. | The amount you will have paid after you have made all payments as scheduled. |
| 2.170% | \$189,159.40 | \$809,975.00 | \$999,134.40 |