



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**FEBRUARY 5, 2019, 7:00 PM
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Lloyd Johnson
Mayor Pro Tem Tony Wu
Councilman Dario Castellanos
Councilwoman Letty Lopez-Viado
Councilmember Jessica C. Shewmaker**

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

NOTICE

The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

**PUBLIC COMMENTS
ADDRESSING THE CITY COUNCIL
(Per WCMC 2-48, Ordinance No. 2150)**

Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.

Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.

Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.

RULES OF DECORUM

Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

AGENDA

CITY OF WEST COVINA CITY COUNCIL/SUCCESSOR AGENCY

**TUESDAY FEBRUARY 5, 2019, 7:00 PM
REGULAR MEETING**

INVOCATION

Led by Pastor Rogelio Paquini
West Covina Hills Seventh Day Adventist Church

PLEDGE OF ALLEGIANCE

Led by Councilman Dario Castellanos

ROLL CALL

REPORTING OUT FROM CLOSED SESSION

PRESENTATIONS

Swearing in of Councilmember Jessica C. Shewmaker
BKK Presentation by Singpoli, LLC.

ORAL COMMUNICATIONS - Five (5) minutes per speaker

Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.

CLAIMS AGAINST THE CITY

1) GOVERNMENT TORT CLAIM DENIALS

It is recommended that the City Council deny the following Government Tort Claims and the claimants be notified:

- Margarita Castillo vs. The City of West Covina
- Oscar Tirado vs. The City of West Covina

INVESTMENT REPORT

2) CITY INVESTMENT REPORT FOR THE MONTH ENDED NOVEMBER 30, 2018

It is recommended that the City Council receive and file the Investment Report for the month ended November 30, 2018.

3) SUCCESSOR AGENCY INVESTMENT REPORT FOR THE MONTH ENDED NOVEMBER 30, 2018

It is recommended that the Chair and Board Members of the Successor Agency to the former West Covina Redevelopment Agency, receive and file the Investment Report for the month ended November 30, 2018.

ORDINANCES FOR ADOPTION - Procedural Waiver. *Waive full reading of each ordinance on the agenda and authorize the approval of each ordinance by title only.*

CITY MANAGER'S OFFICE

4) ANNUAL APPOINTMENT OF CITY COUNCIL REPRESENTATIVES TO EXTERNAL ADVISORY BOARDS

It is recommended that the Council take the following action:

1. Confirm the Mayor's appointments to the various organizations described in the staff report; and
2. Adopt the following resolution appointing a representative and alternate to the San Gabriel Valley Council of Governments:

RESOLUTION NO. 2019-05 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, NAMING MAYOR PRO TEM TONY WU AS THE GOVERNING BOARD REPRESENTATIVE TO SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, AND COUNCILMAN DARIO CASTELLANOS AS THE ALTERNATE

5) APPOINTMENT OF CITY COMMISSIONERS

It is recommended that the City Council receive and file this informational report.

COMMUNITY DEVELOPMENT

6) ZONE CHANGE NO. 19-01 INITIATION TO STUDY REVISING THE ZONING DESIGNATION FOR 1904 W. PACIFIC LANE

It is recommended that the City Council initiate Zone Change No. 19-01 to consider revising the zoning designation from "Single-Family Residential" (R-1) to "Multiple-Family Residential" (MF-20) by adopting the following resolution:

RESOLUTION NO. 2019-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, INITIATING ZONE CHANGE NO. 19-01 TO STUDY A ZONE CHANGE FOR 1904 W. PACIFIC LANE

HUMAN RESOURCES

7) BUDGET AMENDMENT FOR FISCAL YEAR 2018-19

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2019-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019

8) APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE NON-SWORN SAFETY SUPPORT EMPLOYEES' ASSOCIATION AND THE UPDATED POSITION CLASSIFICATION SPECIFICATION AND SALARY SCHEDULE FOR PUBLIC SAFETY DISPATCHER AND SENIOR COMMUNICATIONS OPERATOR

It is recommended that the City Council adopt the following resolutions:

RESOLUTION NO. 2019-02 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WEST COVINA AND THE WEST COVINA NON-SWORN SAFETY SUPPORT EMPLOYEES' ASSOCIATION FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2019

RESOLUTION NO. 2019-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE REVISED POSITION CLASSIFICATION SPECIFICATION AND ADJUSTED SALARY SCHEDULE FOR PUBLIC SAFETY DISPATCHER AND SENIOR COMMUNICATIONS OPERATOR

END OF CONSENT CALENDAR

HEARINGS

PUBLIC HEARINGS

**9) CODE AMENDMENT NO. 18-02
ACCESSORY DWELLING UNITS
GENERAL AND STATUTORY EXEMPTION**

It is recommended that the City Council introduce, waive further and give first reading of the following ordinance:

ORDINANCE NO. 2449 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING DIVISION 11 OF ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND SETBACK AND LOCATION RELATED ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

MAYOR/COUNCILMEMBERS REPORTS

AB 1234 Conference and Meeting Report (verbal, if any)

(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)

10) RING RESIDENTIAL REBATE PROGRAM

It is recommended that Council provide staff direction.

11) PURCHASING POLICY

It is recommended that the City Council receive and file this report.

12) EVALUATING MOVING FROM 7-YEAR TO 5-YEAR TREE TRIMMING CYCLE FOR CITYWIDE TREE MAINTENANCE SERVICES

It is recommended that the City Council instruct staff to trim trees on a five-year cycle, beginning July 1, 2019, and appropriate necessary funds during the Fiscal Year 2019-20 Budget and subsequent budgets.

13) GENERAL FUND BALANCE RESERVE POLICY

It is recommended that the City Council receive and file this informational report.

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)

- 14) **REQUEST FROM COUNCILMAN DARIO CASTELLANOS REQUESTING THE CITY COUNCIL'S CONSIDERATION TO HAVE CITY STAFF SURVEY OTHER CITIES TO LEARN WHAT SERVICES THEY PROVIDE AFTERHOURS AND ON WEEKENDS FOR RESIDENTS AND BUSINESSES WANTING TO CONDUCT BUSINESS WITH THE CITY**

It is recommended that the City Council discuss and provide staff direction.

- 15) **REQUEST FROM COUNCILWOMAN LETTY LOPEZ-VIADO REQUESTING THE CITY COUNCIL'S CONSIDERATION TO DIRECT STAFF TO SURVEY WHAT MEASURES OTHER CITIES ARE TAKING TO REDUCE PANHANDLING IN THEIR COMMUNITIES**

It is recommended that the City Council discuss and provide staff direction.

- 16) **REQUEST FROM MAYOR PRO TEM TONY WU REQUESTING THE CITY COUNCIL'S CONSIDERATION TO CHANGE THE FREQUENCY THAT THE CITY'S AUDIT COMMITTEE MEETS AND OTHER FINANCIAL UPDATES**

It is recommended that the City Council provide staff direction.

CITY COUNCIL COMMENTS

ADJOURNMENT

Next Tentative City Council Meeting

Regular Meeting

2/19/19

7:00 PM

RULES OF DECORUM

The following are excerpts from the West Covina Municipal Code:

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

- a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
- b. The city council may establish a limit on the duration of oral communications.
- c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
- d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

- a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
- b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
 - a. Addressing the Mayor and City Council without first being recognized.
 - b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
 - c. Repetitiously addressing the same subject.
 - d. Failing to relinquish the podium when directed to do so.

- e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
- f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-52. Persons authorized to be within council area.

No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

The following are excerpts from the Penal Code

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: GOVERNMENT TORT CLAIM DENIALS

RECOMMENDATION:

It is recommended that the City Council deny the following Government Tort Claims and the claimants be notified:

- Margarita Castillo vs. The City of West Covina
- Oscar Tirado vs. The City of West Covina

DISCUSSION:

All claims should be considered potential lawsuits. As such, it is requested that all Councilmembers refrain from making specific public comments so as not to prejudice any claim. Specific questions should be referred to the City Attorney.

Prepared by: Nick Ledesma, Administrative Aide
Additional Approval: Edward M. Macias, Human Resources Director

Fiscal Impact

FISCAL IMPACT:

None.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: CITY INVESTMENT REPORT FOR THE MONTH ENDED NOVEMBER 30, 2018

RECOMMENDATION:

It is recommended that the City Council receive and file the Investment Report for the month ended November 30, 2018.

DISCUSSION:

The Investment Report (Attachment No. 1) presents the City's cash and investments for the month ended November 30, 2018. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as, reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with Government Code Section 53601 and the City's Investment Policy as to the types of investments allowed.

The City's Investment Policy was last revised and adopted by City Council on June 5, 2018. As stated in the attached report, there are sufficient funds to meet the budgeted expenditures over the next six months.

The City's Investment Policy has set primary goals of the portfolio management of safety, liquidity and yield. The City's surplus funds are with the Los Angeles County Investment Pool (LACIP) and Chandler Asset Management. At November 30, 2018, the City's investment portfolio had a market value of \$34,525,650.

Bond reserves are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. At November 30, 2018, the City's bond reserves had a market value of \$1,656,372.

Prepared by: Todd H. Owens, Accounting Manager

Additional Approval: Marcie Medina, Finance Director

Fiscal Impact

FISCAL IMPACT:

No Fiscal Impact.

Attachments

November 2018 Investment Report

**City of West Covina
Investment Report
For the Month Ended November 30, 2018**

Description	Book Value	Market Value	Interest/ Yield to Maturity	Maturity Date	% of Portfolio
Cash and Cash Equivalents					
Wells Fargo Checking Account	\$ 4,779,171	\$ 4,779,171	0.00%	n/a	13.21%
Pacific Western Bank Checking - HPP (CDBG)	8,668	8,668	0.00%	n/a	0.02%
Pacific Western Bank Checking - HPP (LMIHF)	12,256	12,256	0.00%	n/a	0.03%
Los Angeles County Investment Pool (LACIP)	5,939,130	5,939,130	1.91%	n/a	16.42%
Money Market Fund - Bank of the West	503,991	503,991	0.56%	n/a	1.39%
Investments - Chandler Asset Management					
Asset-Backed Securities	772,644	770,163	2.99%	See attached	2.13%
Federal Agencies	7,611,798	7,433,760	2.77%	See attached	20.55%
Collateralized Mortgage Obligation	152,154	149,001	3.20%	See attached	0.41%
Money Market Funds	4,586	4,586	1.81%	See attached	0.01%
Supranationals	2,180,365	2,134,490	2.88%	See attached	5.90%
US Corporate	6,890,916	6,761,669	3.13%	See attached	18.69%
US Treasury	6,173,225	6,028,765	2.78%	See attached	16.66%
Total Cash and Investments	\$ 35,028,904	\$ 34,525,650			
Bond Reserves					
Lease Revenue Bonds, 2006 Series A & 2006 Series B (Taxable)					
First American Treasury Obligations Fund Class D	\$ 1,071,000	\$ 1,071,000	1.70%	n/a	2.96%
First American Treasury Obligations Fund Class D	585,372	585,372	1.70%	n/a	1.62%
Total Bond Reserves	\$ 1,656,372	\$ 1,656,372			
Total Investment Portfolio	\$ 36,685,276	\$ 36,182,022			100.00%

Blended Yield of Cash and Investments *	2.65%
--	--------------

Benchmarks:	
LAIF	2.21%
LACIP *	1.91%
6mo U.S. Treasury	2.52%
2yr U.S. Treasury	2.80%
5yr U.S. Treasury	2.84%

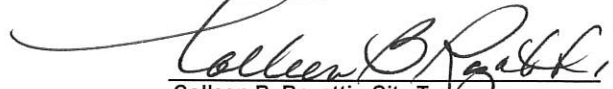
* To ensure timely submission of the Investment Report, the prior month's LACIP percentage yield is used.

I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. The investment portfolio provides sufficient funds to meet the budgeted expenditures over the next six months. This report meets the requirements of Government Code Section 53646.

PREPARED BY:


Todd H. Owens - Accounting Manager

REVIEWED BY:


Colleen B. Rozatti - City Treasurer

APPROVED BY:


Marcie Medina - Finance Director



City of West Covina Short Term - Account #10479

MONTHLY ACCOUNT STATEMENT

NOVEMBER 1, 2018 THROUGH NOVEMBER 30, 2018

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.56
Average Coupon	1.73%
Average Purchase YTM	1.44%
Average Market YTM	2.90%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	1.67 yrs
Average Life	1.62 yrs

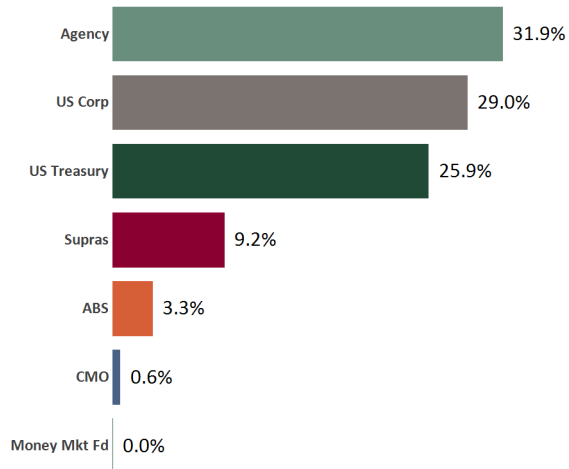
ACCOUNT SUMMARY

	Beg. Values as of 10/31/18	End Values as of 11/30/18
Market Value	23,846,100	23,282,434
Accrued Interest	113,619	97,866
Total Market Value	23,959,718	23,380,300
Income Earned	30,403	29,568
Cont/WD		-652,044
Par	24,325,200	23,723,778
Book Value	24,392,411	23,785,688
Cost Value	24,542,949	23,941,617

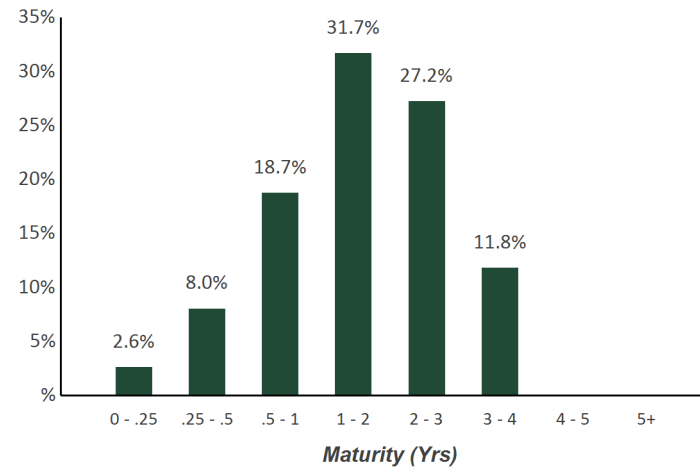
TOP ISSUERS

Government of United States	25.9%
Federal National Mortgage Assoc	14.8%
Federal Home Loan Mortgage Corp	10.4%
Federal Home Loan Bank	7.4%
International Finance Corp	5.0%
Inter-American Dev Bank	4.1%
Microsoft	2.6%
Eli Lilly & Co	2.1%
Total	72.3%

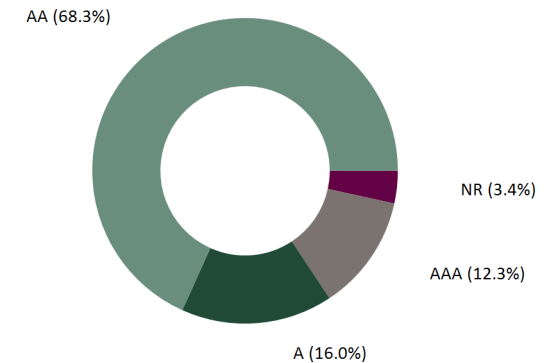
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	7/31/2016
City of West Covina Short Term	0.31%	0.37%	1.03%	1.07%	1.01%	N/A	N/A	N/A	0.67%
ICE BAML 1-3 Yr US Treasury/Agency Index	0.35%	0.38%	0.80%	0.81%	0.64%	N/A	N/A	N/A	0.33%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$24,392,410.82
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$552,817.64	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$552,817.64
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$652,044.48	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$425,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$77,195.09	
Total Dispositions		\$1,154,239.57
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$5,300.99)	
		(\$5,300.99)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$23,785,687.90

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$103,812.78
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$43,388.82	
Dividend Received	\$547.27	
Principal on Maturities	\$425,000.00	
Interest on Maturities	\$6,686.46	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$77,195.09	
Total Acquisitions	\$552,817.64	
<u>Dispositions</u>		
Withdrawals	\$652,044.48	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$652,044.48	
ENDING BOOK VALUE		\$4,585.94

Holdings Report

As of November 30, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	17,904.96	03/21/2017 1.47%	17,904.88 17,904.92	99.92 2.86%	17,890.74 11.70	0.08% (14.18)	Aaa / NR AAA	1.13 0.06
47788BAB0	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	47,984.99	07/11/2017 1.60%	47,980.83 47,982.92	99.76 2.87%	47,872.19 33.91	0.20% (110.73)	Aaa / NR AAA	1.38 0.18
89237RAB4	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	183,922.44	07/25/2017 1.59%	183,920.68 183,921.48	99.54 3.01%	183,084.28 129.16	0.78% (837.20)	Aaa / AAA NR	1.62 0.32
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	164,791.91	01/23/2018 2.12%	164,775.07 164,780.25	99.62 3.00%	164,158.60 153.81	0.70% (621.65)	Aaa / AAA NR	1.88 0.43
47788CAB8	John Deere Owner Trust 2018-A A2 2.42% Due 10/15/2020	164,587.74	Various 2.51%	164,416.99 164,463.54	99.81 2.90%	164,271.06 177.02	0.70% (192.48)	Aaa / NR AAA	1.88 0.41
43811BAC8	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	110,000.00	04/27/2018 2.62%	108,289.84 108,595.23	98.79 3.05%	108,667.46 82.13	0.47% 72.23	Aaa / AAA NR	2.71 0.89
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	35,000.00	07/11/2017 1.83%	34,997.44 34,998.27	98.73 3.06%	34,554.66 28.31	0.15% (443.61)	Aaa / NR AAA	2.88 1.03
47788CAC6	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	50,000.00	02/21/2018 2.68%	49,996.41 49,997.07	99.33 3.13%	49,663.55 59.11	0.21% (333.52)	Aaa / NR AAA	3.38 1.49
Total ABS		774,192.04	2.12%	772,282.14 772,643.68	2.99%	770,162.54 675.15	3.30% (2,481.14)	Aaa / AAA AAA	2.03 0.54
AGENCY									
313376BR5	FHLB Note 1.75% Due 12/14/2018	350,000.00	08/19/2016 0.91%	356,681.50 350,102.91	99.98 2.17%	349,940.15 2,841.32	1.51% (162.76)	Aaa / AA+ AAA	0.04 0.04
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	565,000.00	07/29/2016 0.89%	570,938.15 566,314.18	99.06 2.67%	559,711.60 2,354.16	2.40% (6,602.58)	Aaa / AA+ AAA	0.67 0.66
3135G0P49	FNMA Note 1% Due 8/28/2019	700,000.00	09/02/2016 1.06%	698,782.00 699,697.18	98.78 2.68%	691,452.30 1,808.34	2.97% (8,244.88)	Aaa / AA+ AAA	0.74 0.73
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	700,000.00	08/05/2016 0.97%	706,153.00 701,631.88	98.76 2.75%	691,321.40 1,434.02	2.96% (10,310.48)	Aaa / AA+ AAA	0.84 0.82
3137EAE5	FHLMC Note 1.5% Due 1/17/2020	350,000.00	01/12/2017 1.54%	349,622.00 349,857.78	98.61 2.75%	345,147.60 1,954.17	1.48% (4,710.18)	Aaa / AA+ AAA	1.13 1.10
3135G0A78	FNMA Note 1.625% Due 1/21/2020	350,000.00	10/14/2016 1.16%	355,204.50 351,817.86	98.72 2.77%	345,513.35 2,053.82	1.49% (6,304.51)	Aaa / AA+ AAA	1.14 1.11

Holdings Report

As of November 30, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	350,000.00	06/29/2017 1.58%	348,015.50 349,009.67	98.04 2.79%	343,131.25 401.04	1.47% (5,878.42)	Aaa / AA+ AAA	1.42 1.39
313383HU8	FHLB Note 1.75% Due 6/12/2020	350,000.00	Various 1.12%	358,197.50 353,304.08	98.36 2.85%	344,249.50 2,875.35	1.48% (9,054.58)	Aaa / AA+ NR	1.53 1.49
3135G0D75	FNMA Note 1.5% Due 6/22/2020	700,000.00	07/29/2016 1.03%	712,474.00 704,984.34	98.03 2.79%	686,244.30 4,637.50	2.95% (18,740.04)	Aaa / AA+ AAA	1.56 1.52
3135G0F73	FNMA Note 1.5% Due 11/30/2020	350,000.00	07/29/2016 1.10%	355,939.50 352,735.54	97.38 2.86%	340,816.00 14.58	1.46% (11,919.54)	Aaa / AA+ AAA	2.00 1.95
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	350,000.00	07/29/2016 1.13%	353,846.50 351,871.27	96.88 2.84%	339,067.75 1,376.91	1.46% (12,803.52)	Aaa / AA+ AAA	2.22 2.15
3135G0K69	FNMA Note 1.25% Due 5/6/2021	350,000.00	07/22/2016 1.27%	349,744.50 349,870.13	96.33 2.82%	337,164.80 303.82	1.44% (12,705.33)	Aaa / AA+ AAA	2.43 2.37
313379RB7	FHLB Note 1.875% Due 6/11/2021	350,000.00	08/15/2017 1.73%	351,802.50 351,192.62	97.39 2.95%	340,861.50 3,098.96	1.47% (10,331.12)	Aaa / AA+ AAA	2.53 2.42
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	350,000.00	08/19/2016 1.28%	347,452.00 348,636.88	95.76 2.81%	335,147.05 1,498.44	1.44% (13,489.83)	Aaa / AA+ AAA	2.62 2.54
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	350,000.00	08/19/2016 1.32%	346,720.50 348,221.20	95.54 2.85%	334,382.65 1,192.19	1.44% (13,838.55)	Aaa / AA+ AAA	2.70 2.62
3135G0S38	FNMA Note 2% Due 1/5/2022	725,000.00	Various 1.88%	728,871.25 727,587.90	97.40 2.88%	706,161.60 5,880.56	3.05% (21,426.30)	Aaa / AA+ AAA	3.10 2.95
3135G0T45	FNMA Note 1.875% Due 4/5/2022	355,000.00	06/19/2017 1.88%	354,946.40 354,962.60	96.75 2.90%	343,447.59 1,035.42	1.47% (11,515.01)	Aaa / AA+ AAA	3.35 3.20
Total Agency		7,595,000.00	1.27%	7,645,391.30 7,611,798.02	2.77%	7,433,760.39 34,760.60	31.94% (178,037.63)	Aaa / AA+ AAA	1.69 1.64
CMO									
3137BFDQ1	FHLMC K717 A2 2.991% Due 9/25/2021	150,000.00	01/04/2018 1.91%	152,835.94 152,153.64	99.33 3.20%	149,000.55 373.88	0.64% (3,153.09)	NR / NR AAA	2.82 2.49
Total CMO		150,000.00	1.91%	152,835.94 152,153.64	3.20%	149,000.55 373.88	0.64% (3,153.09)	NR / NR AAA	2.82 2.49



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	4,585.94	Various 1.81%	4,585.94 4,585.94	1.00 1.81%	4,585.94 0.00	0.02% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		4,585.94	1.81%	4,585.94	1.81%	4,585.94 0.00	0.02% 0.00	Aaa / AAA AAA	0.00 0.00

SUPRANATIONAL									
45950KCD0	International Finance Corp Note 1.75% Due 9/16/2019	700,000.00	08/05/2016 1.02%	715,554.00 703,963.94	99.20 2.78%	694,389.50 2,552.08	2.98% (9,574.44)	Aaa / AAA NR	0.79 0.78
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 5/12/2020	290,000.00	04/05/2017 1.70%	289,312.70 289,677.71	98.26 2.86%	284,951.68 248.72	1.22% (4,726.03)	Aaa / AAA AAA	1.45 1.42
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	350,000.00	08/05/2016 1.21%	363,261.50 356,050.45	98.51 2.92%	344,792.70 454.51	1.48% (11,257.75)	Aaa / AAA AAA	1.95 1.88
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	215,000.00	01/18/2018 2.35%	214,367.90 214,546.68	98.64 2.91%	212,075.79 1,693.13	0.91% (2,470.89)	Aaa / AAA NR	2.16 2.07
45950KCJ7	International Finance Corp Note 1.125% Due 7/20/2021	275,000.00	11/09/2016 1.64%	268,576.00 271,392.36	95.43 2.94%	262,432.22 1,125.78	1.13% (8,960.14)	Aaa / AAA NR	2.64 2.56
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	345,000.00	01/10/2017 2.15%	344,575.65 344,734.14	97.35 3.02%	335,847.84 2,708.49	1.45% (8,886.30)	Aaa / NR AAA	3.14 2.98
Total Supranational		2,175,000.00	1.53%	2,195,647.75 2,180,365.28	2.88%	2,134,489.73 8,782.71	9.17% (45,875.55)	Aaa / AAA AAA	1.80 1.74

US CORPORATE									
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	250,000.00	08/16/2016 1.11%	256,315.00 250,615.10	99.84 2.74%	249,607.50 1,328.13	1.07% (1,007.60)	A1 / AA- NR	0.25 0.25
30231GAD4	Exxon Mobil Corp Callable Note Cont 2/15/2019 1.819% Due 3/15/2019	250,000.00	07/18/2016 1.15%	254,365.00 250,469.45	99.71 2.81%	249,277.00 960.03	1.07% (1,192.45)	Aaa / AA+ NR	0.29 0.29
532457BF4	Eli Lilly & Co Note 1.95% Due 3/15/2019	500,000.00	09/08/2016 1.20%	509,180.00 501,045.70	99.76 2.76%	498,815.50 2,058.34	2.14% (2,230.20)	A2 / AA- A	0.29 0.29

Holdings Report

As of November 30, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	500,000.00	07/12/2016 1.31%	512,145.00 501,736.72	99.67 3.02%	498,362.50 1,100.00	2.14% (3,374.22)	A1 / A+ AA-	0.40 0.40
037833AQ3	Apple Inc Note 2.1% Due 5/6/2019	250,000.00	07/11/2016 1.04%	257,300.00 251,109.94	99.71 2.78%	249,267.00 364.58	1.07% (1,842.94)	Aa1 / AA+ NR	0.43 0.43
594918BN3	Microsoft Note 1.1% Due 8/8/2019	410,000.00	08/01/2016 1.14%	409,577.70 409,903.58	98.81 2.85%	405,139.86 1,415.64	1.74% (4,763.72)	Aaa / AAA AA+	0.69 0.68
084664CK5	Berkshire Hathaway Note 1.3% Due 8/15/2019	205,000.00	08/08/2016 1.33%	204,801.15 204,953.33	98.90 2.88%	202,742.95 784.69	0.87% (2,210.38)	Aa2 / AA A+	0.71 0.70
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	500,000.00	Various 1.36%	514,405.00 503,582.78	99.40 3.08%	496,993.50 2,555.56	2.14% (6,589.28)	A1 / A AA-	0.78 0.76
68389XAX3	Oracle Corp Note 2.25% Due 10/8/2019	250,000.00	08/09/2016 1.32%	257,177.50 251,937.68	99.48 2.87%	248,695.25 828.13	1.07% (3,242.43)	A1 / AA- A	0.85 0.84
46625HKA7	JP Morgan Chase Callable Note Cont 12/23/2019 2.25% Due 1/23/2020	445,000.00	08/26/2016 1.81%	451,363.50 447,145.12	98.79 3.33%	439,634.64 3,560.00	1.90% (7,510.48)	A2 / A- AA-	1.15 1.11
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	250,000.00	07/15/2016 1.67%	254,060.00 251,338.63	98.68 3.31%	246,693.50 1,806.60	1.06% (4,645.13)	A2 / A- A+	1.17 1.13
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	150,000.00	11/01/2016 1.57%	150,873.00 150,321.36	98.31 3.18%	147,470.70 772.92	0.63% (2,850.66)	Aa3 / A+ A+	1.21 1.18
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	500,000.00	07/26/2016 1.49%	513,955.00 505,377.34	98.36 3.40%	491,820.00 343.76	2.11% (13,557.34)	A2 / A- NR	1.47 1.43
437076BQ4	Home Depot Note 1.8% Due 6/5/2020	90,000.00	05/24/2017 1.82%	89,947.80 89,973.71	98.05 3.13%	88,242.75 792.00	0.38% (1,730.96)	A2 / A A	1.52 1.46
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	390,000.00	02/06/2017 2.17%	391,836.90 390,947.43	98.03 3.37%	382,314.66 697.67	1.64% (8,632.77)	A3 / A A	1.93 1.86
44932HAG8	IBM Credit Corp Note 2.65% Due 2/5/2021	250,000.00	02/14/2018 2.84%	248,662.50 249,017.52	98.38 3.43%	245,954.25 2,134.72	1.06% (3,063.27)	A1 / A A	2.19 2.08
037833BS8	Apple Inc Callable Note Cont 1/23/2021 2.25% Due 2/23/2021	250,000.00	08/19/2016 1.57%	257,375.00 253,656.10	98.02 3.18%	245,045.50 1,531.25	1.05% (8,610.60)	Aa1 / AA+ NR	2.24 2.14

Holdings Report

As of November 30, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	250,000.00	07/11/2016 1.43%	258,810.00 254,277.36	97.73 3.28%	244,314.00 1,388.75	1.05% (9,963.36)	Aaa / AA+ NR	2.25 2.16
166764BG4	Chevron Corp Callable Note Cont 4/15/2021 2.1% Due 5/16/2021	250,000.00	08/16/2016 1.66%	255,022.50 252,602.65	97.22 3.29%	243,040.25 218.75	1.04% (9,562.40)	Aa2 / AA- NR	2.46 2.37
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	250,000.00	08/26/2016 1.71%	252,750.00 251,437.28	96.54 3.42%	241,351.50 162.50	1.03% (10,085.78)	A1 / A AA-	2.47 2.38
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	200,000.00	08/26/2016 1.60%	199,536.00 199,747.54	96.12 3.06%	192,244.60 973.06	0.83% (7,502.94)	Aaa / AAA AA+	2.69 2.59
69371RN44	Paccar Financial Corp Note 1.65% Due 8/11/2021	225,000.00	01/25/2017 2.57%	216,153.00 219,736.73	95.64 3.35%	215,183.70 1,134.38	0.93% (4,553.03)	A1 / A+ NR	2.70 2.59
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	250,000.00	07/25/2017 2.45%	249,977.50 249,983.55	95.78 3.69%	239,458.50 2,092.71	1.03% (10,525.05)	A2 / A A+	3.66 3.43
Total US Corporate		6,865,000.00	1.58%	6,965,589.05 6,890,916.60	3.13%	6,761,669.61 29,004.17	29.04% (129,246.99)	A1 / AA- A+	1.33 1.28
US TREASURY									
912828D23	US Treasury Note 1.625% Due 4/30/2019	375,000.00	12/14/2016 1.33%	377,594.03 375,449.31	99.63 2.51%	373,623.00 521.84	1.60% (1,826.31)	Aaa / AA+ AAA	0.41 0.41
912828WS5	US Treasury Note 1.625% Due 6/30/2019	375,000.00	07/20/2016 0.84%	383,497.35 376,669.40	99.44 2.59%	372,905.25 2,550.10	1.61% (3,764.15)	Aaa / AA+ AAA	0.58 0.57
912828G95	US Treasury Note 1.625% Due 12/31/2019	750,000.00	07/25/2016 0.96%	766,848.22 755,311.30	98.79 2.77%	740,918.26 5,100.20	3.19% (14,393.04)	Aaa / AA+ AAA	1.08 1.06
912828UL2	US Treasury Note 1.375% Due 1/31/2020	375,000.00	08/05/2016 0.91%	380,992.47 377,008.49	98.41 2.76%	369,052.88 1,723.42	1.59% (7,955.61)	Aaa / AA+ AAA	1.17 1.14
912828UV0	US Treasury Note 1.125% Due 3/31/2020	375,000.00	08/05/2016 0.92%	377,799.11 376,022.06	97.84 2.79%	366,899.25 718.58	1.57% (9,122.81)	Aaa / AA+ AAA	1.33 1.31
912828K58	US Treasury Note 1.375% Due 4/30/2020	225,000.00	06/27/2017 1.52%	224,113.06 224,558.67	98.04 2.79%	220,596.75 264.93	0.94% (3,961.92)	Aaa / AA+ AAA	1.42 1.39
912828VF4	US Treasury Note 1.375% Due 5/31/2020	375,000.00	08/05/2016 0.99%	380,391.88 377,118.79	97.90 2.81%	367,133.63 14.17	1.57% (9,985.16)	Aaa / AA+ AAA	1.50 1.47

Holdings Report

As of November 30, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828L99	US Treasury Note 1.375% Due 10/31/2020	250,000.00	12/14/2016 1.77%	246,319.20 248,180.40	97.30 2.83%	243,261.75 294.37	1.04% (4,918.65)	Aaa / AA+ AAA	1.92 1.87
912828N48	US Treasury Note 1.75% Due 12/31/2020	250,000.00	01/24/2018 2.20%	246,796.88 247,724.02	97.89 2.80%	244,716.75 1,830.84	1.05% (3,007.27)	Aaa / AA+ AAA	2.09 2.01
912828N89	US Treasury Note 1.375% Due 1/31/2021	375,000.00	08/11/2016 1.07%	380,054.97 377,451.64	96.98 2.82%	363,662.25 1,723.42	1.56% (13,789.39)	Aaa / AA+ AAA	2.17 2.10
912828P87	US Treasury Note 1.125% Due 2/28/2021	350,000.00	06/27/2017 1.66%	343,397.66 345,962.77	96.33 2.82%	337,162.00 1,000.69	1.45% (8,800.77)	Aaa / AA+ AAA	2.25 2.19
912828WN6	US Treasury Note 2% Due 5/31/2021	750,000.00	Various 1.51%	766,555.25 758,839.13	98.00 2.83%	735,029.26 41.20	3.14% (23,809.87)	Aaa / AA+ AAA	2.50 2.42
912828S76	US Treasury Note 1.125% Due 7/31/2021	250,000.00	05/30/2017 1.69%	244,366.07 246,398.28	95.64 2.83%	239,101.50 940.05	1.03% (7,296.78)	Aaa / AA+ AAA	2.67 2.59
912828G87	US Treasury Note 2.125% Due 12/31/2021	165,000.00	06/29/2017 1.80%	167,307.98 166,579.81	97.91 2.84%	161,551.83 1,467.29	0.70% (5,027.98)	Aaa / AA+ AAA	3.09 2.93
912828V72	US Treasury Note 1.875% Due 1/31/2022	200,000.00	07/25/2017 1.82%	200,492.86 200,345.60	97.09 2.84%	194,171.80 1,253.40	0.84% (6,173.80)	Aaa / AA+ AAA	3.17 3.03
912828J43	US Treasury Note 1.75% Due 2/28/2022	355,000.00	03/13/2017 2.14%	348,580.68 350,799.62	96.63 2.84%	343,018.75 1,578.87	1.47% (7,780.87)	Aaa / AA+ AAA	3.25 3.11
912828XG0	US Treasury Note 2.125% Due 6/30/2022	365,000.00	08/15/2017 1.82%	370,176.81 368,805.45	97.52 2.86%	355,960.41 3,245.82	1.54% (12,845.04)	Aaa / AA+ AAA	3.58 3.39
Total US Treasury		6,160,000.00	1.38%	6,205,284.48 6,173,224.74	2.78%	6,028,765.32 24,269.19	25.89% (144,459.42)	Aaa / AA+ AAA	1.90 1.84
TOTAL PORTFOLIO				23,941,616.60 23,785,687.90	2.90%	23,282,434.08 97,865.70	100.00% (503,253.82)	Aa1 / AA AAA	1.67 1.56
TOTAL MARKET VALUE PLUS ACCRUED						23,380,299.78			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/01/2018	31846V203	2,406.25	First American Govt Obligation Fund Class Y	1.000	1.77%	2,406.25	0.00	2,406.25	0.00
Purchase	11/01/2018	31846V203	547.27	First American Govt Obligation Fund Class Y	1.000	1.77%	547.27	0.00	547.27	0.00
Purchase	11/03/2018	31846V203	4,485.00	First American Govt Obligation Fund Class Y	1.000	1.77%	4,485.00	0.00	4,485.00	0.00
Purchase	11/06/2018	31846V203	4,812.50	First American Govt Obligation Fund Class Y	1.000	1.77%	4,812.50	0.00	4,812.50	0.00
Purchase	11/09/2018	31846V203	3,718.75	First American Govt Obligation Fund Class Y	1.000	1.77%	3,718.75	0.00	3,718.75	0.00
Purchase	11/12/2018	31846V203	2,356.25	First American Govt Obligation Fund Class Y	1.000	1.77%	2,356.25	0.00	2,356.25	0.00
Purchase	11/13/2018	31846V203	356,686.46	First American Govt Obligation Fund Class Y	1.000	1.77%	356,686.46	0.00	356,686.46	0.00
Purchase	11/15/2018	31846V203	154.00	First American Govt Obligation Fund Class Y	1.000	1.77%	154.00	0.00	154.00	0.00
Purchase	11/15/2018	31846V203	9,194.82	First American Govt Obligation Fund Class Y	1.000	1.77%	9,194.82	0.00	9,194.82	0.00
Purchase	11/15/2018	31846V203	11,962.36	First American Govt Obligation Fund Class Y	1.000	1.77%	11,962.36	0.00	11,962.36	0.00
Purchase	11/15/2018	31846V203	53.08	First American Govt Obligation Fund Class Y	1.000	1.77%	53.08	0.00	53.08	0.00
Purchase	11/15/2018	31846V203	5,755.10	First American Govt Obligation Fund Class Y	1.000	1.77%	5,755.10	0.00	5,755.10	0.00
Purchase	11/15/2018	31846V203	110.83	First American Govt Obligation Fund Class Y	1.000	1.77%	110.83	0.00	110.83	0.00
Purchase	11/15/2018	31846V203	10,593.32	First American Govt Obligation Fund Class Y	1.000	1.77%	10,593.32	0.00	10,593.32	0.00
Purchase	11/15/2018	31846V203	24,312.32	First American Govt Obligation Fund Class Y	1.000	1.77%	24,312.32	0.00	24,312.32	0.00
Purchase	11/15/2018	31846V203	16,436.07	First American Govt Obligation Fund Class Y	1.000	1.77%	16,436.07	0.00	16,436.07	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/16/2018	31846V203	2,625.00	First American Govt Obligation Fund Class Y	1.000	1.77%	2,625.00	0.00	2,625.00	0.00
Purchase	11/19/2018	31846V203	2,437.50	First American Govt Obligation Fund Class Y	1.000	1.77%	2,437.50	0.00	2,437.50	0.00
Purchase	11/20/2018	31846V203	5,625.00	First American Govt Obligation Fund Class Y	1.000	1.77%	5,625.00	0.00	5,625.00	0.00
Purchase	11/26/2018	31846V203	373.88	First American Govt Obligation Fund Class Y	1.000	1.77%	373.88	0.00	373.88	0.00
Purchase	11/30/2018	31846V203	13,171.88	First American Govt Obligation Fund Class Y	1.000	1.81%	13,171.88	0.00	13,171.88	0.00
Purchase	11/30/2018	31846V203	75,000.00	First American Govt Obligation Fund Class Y	1.000	1.81%	75,000.00	0.00	75,000.00	0.00
Subtotal			552,817.64				552,817.64	0.00	552,817.64	0.00
TOTAL ACQUISITIONS			552,817.64				552,817.64	0.00	552,817.64	0.00
DISPOSITIONS										
Paydown	11/15/2018	43811BAC8	0.00	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	100.000		0.00	154.00	154.00	0.00
Paydown	11/15/2018	47787XAB3	9,183.35	John Deere Owner Trust 2017-A A2 1.5% Due 10/15/2019	100.000		9,183.35	11.47	9,194.82	0.00
Paydown	11/15/2018	47788BAB0	11,883.04	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	100.000		11,883.04	79.32	11,962.36	0.00
Paydown	11/15/2018	47788BAD6	0.00	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		0.00	53.08	53.08	0.00
Paydown	11/15/2018	47788CAB8	5,412.26	John Deere Owner Trust 2018-A A2 2.42% Due 10/15/2020	100.000		5,412.26	342.84	5,755.10	0.00
Paydown	11/15/2018	47788CAC6	0.00	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	100.000		0.00	110.83	110.83	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	11/15/2018	654747AB0	10,558.46	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	100.000		10,558.46	34.86	10,593.32	0.00
Paydown	11/15/2018	89237RAB4	24,038.50	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	100.000		24,038.50	273.82	24,312.32	0.00
Paydown	11/15/2018	89238BAB8	16,119.48	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	100.000		16,119.48	316.59	16,436.07	0.00
Paydown	11/26/2018	3137BFDQ1	0.00	FHLMC K717 A2 2.991% Due 9/25/2021	100.000		0.00	373.88	373.88	0.00
Subtotal			77,195.09				77,195.09	1,750.69	78,945.78	0.00
Maturity	11/13/2018	06371ERK5	350,000.00	Bank of Montreal Chicago Yankee CD 1.75% Due 11/13/2018	100.000		350,000.00	6,686.46	356,686.46	0.00
Maturity	11/30/2018	912828A34	75,000.00	US Treasury Note 1.25% Due 11/30/2018	100.000		75,000.00	0.00	75,000.00	0.00
Subtotal			425,000.00				425,000.00	6,686.46	431,686.46	0.00
Security Withdrawal	11/05/2018	31846V203	1,845.76	First American Govt Obligation Fund Class Y	1.000		1,845.76	0.00	1,845.76	0.00
Security Withdrawal	11/16/2018	31846V203	450,000.00	First American Govt Obligation Fund Class Y	1.000		450,000.00	0.00	450,000.00	0.00
Security Withdrawal	11/26/2018	31846V203	198.72	First American Govt Obligation Fund Class Y	1.000		198.72	0.00	198.72	0.00
Security Withdrawal	11/30/2018	31846V203	200,000.00	First American Govt Obligation Fund Class Y	1.000		200,000.00	0.00	200,000.00	0.00
Subtotal			652,044.48				652,044.48	0.00	652,044.48	0.00
TOTAL DISPOSITIONS			1,154,239.57				1,154,239.57	8,437.15	1,162,676.72	0.00
OTHER TRANSACTIONS										
Interest	11/01/2018	3137EADR7	350,000.00	FHLMC Note 1.375% Due 5/1/2020	0.000		2,406.25	0.00	2,406.25	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	11/03/2018	00440EAT4	390,000.00	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	0.000		4,485.00	0.00	4,485.00	0.00
Interest	11/06/2018	037833AQ3	250,000.00	Apple Inc Note 2.1% Due 5/6/2019	0.000		2,625.00	0.00	2,625.00	0.00
Interest	11/06/2018	3135G0K69	350,000.00	FNMA Note 1.25% Due 5/6/2021	0.000		2,187.50	0.00	2,187.50	0.00
Interest	11/09/2018	4581X0CD8	350,000.00	Inter-American Dev Bank Note 2.125% Due 11/9/2020	0.000		3,718.75	0.00	3,718.75	0.00
Interest	11/12/2018	4581X0CX4	290,000.00	Inter-American Dev Bank Note 1.625% Due 5/12/2020	0.000		2,356.25	0.00	2,356.25	0.00
Interest	11/16/2018	166764BG4	250,000.00	Chevron Corp Callable Note Cont 4/15/2021 2.1% Due 5/16/2021	0.000		2,625.00	0.00	2,625.00	0.00
Interest	11/19/2018	857477AV5	250,000.00	State Street Bank Note 1.95% Due 5/19/2021	0.000		2,437.50	0.00	2,437.50	0.00
Interest	11/20/2018	747525AD5	500,000.00	Qualcomm Inc Note 2.25% Due 5/20/2020	0.000		5,625.00	0.00	5,625.00	0.00
Interest	11/30/2018	3135G0F73	350,000.00	FNMA Note 1.5% Due 11/30/2020	0.000		2,625.00	0.00	2,625.00	0.00
Interest	11/30/2018	912828A34	75,000.00	US Treasury Note 1.25% Due 11/30/2018	0.000		468.75	0.00	468.75	0.00
Interest	11/30/2018	912828VF4	375,000.00	US Treasury Note 1.375% Due 5/31/2020	0.000		2,578.13	0.00	2,578.13	0.00
Interest	11/30/2018	912828WN6	750,000.00	US Treasury Note 2% Due 5/31/2021	0.000		7,500.00	0.00	7,500.00	0.00
Subtotal			4,530,000.00				41,638.13	0.00	41,638.13	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	11/01/2018	31846V203	106,219.03	First American Govt Obligation Fund Class Y	0.000		547.27	0.00	547.27	0.00
Subtotal			106,219.03				547.27	0.00	547.27	0.00
TOTAL OTHER TRANSACTIONS			4,636,219.03				42,185.40	0.00	42,185.40	0.00



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: SUCCESSOR AGENCY INVESTMENT REPORT FOR THE MONTH ENDED NOVEMBER 30, 2018

RECOMMENDATION:

It is recommended that the Chair and Board Members of the Successor Agency to the former West Covina Redevelopment Agency, receive and file the Investment Report for the month ended November 30, 2018.

DISCUSSION:

The Investment Report (Attachment No. 1) presents the Successor Agency's cash and investments for the month ended November 30, 2018. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the Successor Agency, as well as, reporting of the market value of the investments held. The Investment Policy of the City of West Covina also applies to the Successor Agency to the former West Covina Redevelopment Agency. All of the investments contained within the portfolio are in full compliance with Government Code Section 53601 and the City's Investment Policy as to the types of investments allowed. The Investment Policy was last revised and adopted by City Council on June 5, 2018. As stated in the attached report, there are sufficient funds to meet the budgeted expenditures over the next six months.

The Investment Policy has set primary goals of the portfolio management of safety, liquidity and yield. The Successor Agency's surplus funds are in the Los Angeles County Investment Pool (LACIP) which is completely liquid, as the Successor Agency can withdraw them at any time. At November 30, 2018, the Successor Agency's investment portfolio had a market value of \$7,661,695.

Bond reserves are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. At November 30, 2018, the Successor Agency's bond reserves had a market value of \$5,584,568.

Prepared by: Todd H. Owens, Accounting Manager

Additional Approval: Marcie Medina, Finance Director

Fiscal Impact

FISCAL IMPACT:

No Fiscal Impact.

Attachments

November 2018 SA Investment Report

**West Covina Successor Agency
Investment Report
For the Month Ended November 30, 2018**

Description	Book Value	Market Value	Interest/ Yield to Maturity	Maturity Date	% of Portfolio
Cash and Cash Equivalents					
Wells Fargo Checking Account - Successor Agency	\$ 36,767	\$ 36,767	0.00%	n/a	0.28%
Wells Fargo Checking Account - CFD	357,027	357,027	0.00%	n/a	2.70%
Los Angeles County Investment Pool (LACIP) - Successor Agency	806,674	806,674	1.91%	n/a	6.08%
Los Angeles County Investment Pool (LACIP) - CFD	6,461,227	6,461,227	1.91%	n/a	48.78%
Total Cash and Cash Equivalents	\$ 7,661,695	\$ 7,661,695			
Debt Reserve Funds					
1988 Housing Set-Aside Tax Allocation Bonds Series A & B					
Federal Treasury Obligations	\$ 403,179	\$ 403,179	0.00%	n/a	3.04%
1996 Special Tax Refunding Bonds					
Westdeutsche Landesbank Girozentrale Investment Agmt	5,002,670	5,002,670	7.01%	9/1/2022	37.77%
Income Cash	103	103	1.70%	n/a	0.00%
First American Treasury Obligations Fund Class D	178,616	178,616	1.70%	n/a	1.35%
Total Debt Reserve Funds	\$ 5,584,568	\$ 5,584,568			
Total Investment Portfolio	\$ 13,246,263	\$ 13,246,263			100.00%

Blended Yield of Cash and Cash Equivalents *	1.91%
---	--------------

Benchmarks:	
LAIF	2.21%
LACIP *	1.91%
6mo U.S. Treasury	2.52%
2yr U.S. Treasury	2.80%
5yr U.S. Treasury	2.84%

* To ensure timely submission of the Investment Report, the prior month's LACIP percentage yield is used.

I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. The investment portfolio provides sufficient funds to meet the budgeted expenditures over the next six months. This report meets the requirements of Government Code Section 53646.

PREPARED BY:


Todd H. Owens - Accounting Manager

REVIEWED BY:


Colleen B. Rozatti - City Treasurer

APPROVED BY:


Marcie Medina - Finance Director



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

**SUBJECT: ANNUAL APPOINTMENT OF CITY COUNCIL REPRESENTATIVES TO EXTERNAL
ADVISORY BOARDS**

RECOMMENDATION:

It is recommended that the Council take the following action:

1. Confirm the Mayor's appointments to the various organizations described in the staff report; and
2. Adopt the following resolution appointing a representative and alternate to the San Gabriel Valley Council of Governments:

RESOLUTION NO. 2019-05 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, NAMING MAYOR PRO TEM TONY WU AS THE GOVERNING BOARD REPRESENTATIVE TO SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, AND COUNCILMAN DARIO CASTELLANOS AS THE ALTERNATE

DISCUSSION:

The City of West Covina is a member of a number of organizations dedicated to serving the interests of local government in this region, in the State of California, and in the nation. Additionally, the City is a member of a number of joint powers agencies and other entities, which require an appointment of a member to their governing bodies. Attachment No. 1 includes a description of these committees and any stipends associated with serving on the committees. Participation in these activities is significantly important to the City, in that the policies and decisions of these bodies may directly affect the interest of the City. Stipends, meeting times, and meeting locations are subject to change by the individual agencies.

According to Section 5-b of the City Council Standing Rules, appointments of City Council Members to these organizations are based upon selection by the Mayor, whose selections are subject to confirmation by the City Council as a whole.

"It shall be the prerogative of the Mayor, taking into consideration relative length of Council service, individual Councilmember preference and equivalency, to assign individual Council Members to various committees."

Mayor Lloyd Johnson has announced his appointments to the various external advisory boards, for confirmation at the February 5, 2019 City Council Meeting. A summary of the various Mayoral appointments is attached (Attachment No. 2). Per California State Law, Fair Political Practice Commission (FPPC) Form 806 is on file with

the City Clerk's Office designating Councilmembers that will receive a stipend from these appointments.

OPTIONS:

The City Council has the following options:

1. Confirm the Mayor's appointments to the various organizations described in the staff report; or
2. Provide alternative direction.

Prepared by: Chris Freeland, City Manager

Attachments

Liaison Committee Descriptions
List of Liaison Appointments
SGVCOG Resolution No. 2019-05

City Council Liaison Committee Descriptions

1. Audit Committee

Established in 2015, the Audit Committee's purpose is to assist the City Council in discharging its responsibilities for the overall stewardship of the City's financial affairs. This will include reviewing financial information; ascertaining the existence and adequacy of accounting and internal control systems and related safeguards over the City's assets; and overseeing the audit function.

Stipend: None

2. City/School Cooperative Committee

Meets with the various school districts serving West Covina to address mutual needs and concerns facing the City or school districts.

Stipend: None

3. Community Service Group

The Community Service Group meets quarterly with various service groups and non-profit organizations in the City of West Covina, in an effort to bring together many of the civic and volunteer organizations in the community to promote, partner, educate, sharing resources and combine efforts to benefit the West Covina community. Group also works together on the City's Annual Community Service Day.

Stipend: None

4. Foothill Transit Board

Foothill Transit was established in 1988 as a public / private partnership that annually serves over 17 million passengers in the San Gabriel and Pomona Valleys, operates 36 fixed-route local, express and rail-feeder lines, and covers 327 square miles. Foothill Transit's Governing Board is divided into Four Clusters, with the City of West Covina represented in Cluster 2 with the cities of Azusa, Baldwin Park, Covina, Glendora, and Irwindale. Those selected by the City, serve on the Governing Board and meet annually or as needed.

In addition, Foothill Transit has an Executive Board that is governed by five members, with four members elected by each cluster, and a fifth member appointed by the Los Angeles County Board of Supervisors. Committee provides oversight of Foothill Transits operations and provides recommendations on improving bus service to the valleys. Governing Board has an annual meeting in May and meets as needed. Executive Board Members are selected by the Governing Board, and meet the last Friday of each month.

Stipend: Governing Board receives \$161 per meeting.

5. Hurst Ranch

According to Article IV of the Hurst Ranch Historical Foundation Articles of Incorporation, the City Council is to designate two Councilmembers to sit on the Hurst Ranch Historical Foundation Board of Directors, and be responsible for overseeing the investments of the Foundation.

Stipend: None

6. Los Angeles County/City Selection Committee

Mayor serves on this Committee that appoints City representatives to such boards, commissions and agencies as may be required by law; i.e., LAFCO, South Coast Air Quality Management District, Los Angeles County Metropolitan Transportation Authority, Los Angeles County Hazardous Waste Management Advisory Committee; and to nominate for appointment members to the California Coastal Commission.

Stipend: None

7. San Gabriel Valley Council of Governments

Coalition of cities from the San Gabriel Valley seeking the Valley's 'fair share' of scarce Federal, State and Local resources by fostering consensus among cities in the San Gabriel Valley regarding policies and programs that address issues relating to land use, air quality, transportation, solid waste, and other matters deemed essential to our cities.

Stipend: \$75 per month regardless of the number of meetings.

8. San Gabriel Valley Mosquito Abatement District

Assists cities in managing or eliminating mosquito breeding areas, and responding to complaints about mosquitoes or mosquito-like insects (i.e. bees) in the District. There is no alternate for this committee. Liaison is selected to serve a two-year term.

Stipend: \$100 per month regardless of the number of meetings.

9. Sanitation District Board

The County Sanitation Districts of Los Angeles County (Districts) are a confederation of independent special districts serving the wastewater and solid waste management needs of Los Angeles County.

Stipend: \$125 per meeting. West Covina falls within three districts, therefore, our liaison attends 3 district meetings for \$375 (per meeting).

10. Southern California Association of Governments (SCAG)

Serves as the functioning Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. The SCAG is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management, and air quality. City of West Covina is allowed to select a representative and alternate to attend the Annual General Assembly Meeting. To serve on the various policy committees, a Councilmember needs to be selected and confirmed by the San Gabriel Valley Council of Governments. Stipends are paid if a Councilmember is selected to serve on a policy committee.

Stipend: None

**CITY OF WEST COVINA
COUNCIL LIAISON APPOINTMENTS TO
EXTERNAL ADVISORY BOARDS, COMMISSIONS AND COMMITTEES 2018-2019**

ORGANIZATION	CONTACT INFORMATION/MEETING LOCATION	MEETING DATE AND TIME	REPRESENTATIVE	ALTERNATE
Audit Committee <ul style="list-style-type: none"> • No stipend issued. • Both Positions are Representatives 	West Covina City Hall/MRC	At least annually, with additional meetings as needed.	Dario Castellanos	Jessica Shewmaker
City/School Cooperative Committee <ul style="list-style-type: none"> • No stipend issued. • Both Positions are Representatives 	West Covina City Hall/MRC	Day TBD in May and October, 4:30 p.m.	Letty Lopez-Viado	Jessica Shewmaker
Community Service Group <ul style="list-style-type: none"> • No stipend issued. • Both Positions are Representatives 		Every other month, on the third Wednesday of the month.	Letty Lopez Viado	Dario Castellanos
Foothill Transit Board <ul style="list-style-type: none"> • \$161 stipend per meeting. • Form 700 filing required. 	100 S. Vincent Ave., Suite 200 West Covina, CA 91790 Main No.: (626) 967-3147 Contact Person: Christina Lopez (626) 931-7204 clopez@foothilltransit.org	As needed and for annual meeting in May	Tony Wu	Dario Castellanos
Hurst Ranch <ul style="list-style-type: none"> • No stipend issued. • Both Positions are Representatives 	1227 S. Orange Ave. West Covina, CA 91790 Main No.: (626) 962-8056	Last Monday of the month, 10:00 a.m.	Lloyd Johnson	Tony Wu

Roster updated as of February 6, 2019

Los Angeles County/City Selection Committee <ul style="list-style-type: none"> • No stipend issued. 	Meetings held at different locations.	As needed.	Lloyd Johnson (Mayor automatic appointment)	NONE
San Gabriel Valley Council of Governments (SGV COG) <ul style="list-style-type: none"> • \$75 stipend per month regardless of the number of meetings. • Form 700 filing required. • AB 1234 filing required. 	1000 S. Fremont Ave., Unit 42 Alhambra, CA 91803 Main No. (626) 457-1800 Contact Person: Stefanie Hernandez sgv@sgvcog.org Meeting Location: Upper SGV Muni. Water District 602 E. Huntington Drive Monrovia, CA 91016	3 rd Thursday, 6:00 p.m.	Tony Wu	Dario Castellanos
Sanitation District Board <ul style="list-style-type: none"> • \$125 stipend per meeting. NOTE: West Covina falls within three districts, therefore, the City's liaison attends 3 district meetings for \$375. • Form 700 filing required. • AB 1234 filing required. 	Sanitation Districts of Los Angeles County 1955 Workman Mill Road Whittier, CA 90601 Main No.: (562) 908-4288 Fax: (562) 908-4278 Contact Person: Michael Hsu, Ext. 1112	4 th Wednesday of the month, 1:30 p.m.	Lloyd Johnson (Mayor automatic appointment)	Tony Wu
Southern California Association of Governments (SCAG) <ul style="list-style-type: none"> • Form 700 filing required. • AB 1234 filing required. 	818 W. Seventh St., 12th Floor Los Angeles, CA 90017 Main No.: (213) 236-1800 Fax No.: (213) 236-1816 Contact Person: Tess Rey rey@scag.ca.gov	Annual Regional Conference in May	Jessica Shewmaker	Lloyd Johnson

RESOLUTION NO. 2019-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, NAMING MAYOR PRO TEM TONY WU AS THE GOVERNING BOARD REPRESENTATIVE TO SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, AND COUNCILMAN DARIO CASTELLANOS AS THE ALTERNATE.

The City Council of the City of West Covina does resolve as follows:

Section 1. The City Council does hereby appoint Mayor Pro Tem Tony Wu as the City's Governing Board Representative to the San Gabriel Valley Council of Governments.

Section 2. The City Council does hereby appoint Councilman Dario Castellanos as the City's alternate to the Governing Board of the San Gabriel Valley Council of Governments.

Section 3. The City Clerk shall certify to the adoption of this resolution and shall transmit a certified copy thereof to the San Gabriel Valley Council of Governments as soon as possible, and shall enter it upon the book of Resolutions of the City of West Covina.

Approved and adopted this 5th day of February, 2019.

Lloyd Johnson
Mayor

ATTEST:

Nickolas S. Lewis
City Clerk

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina at a regular meeting thereof held on February 5, 2019, by the following vote of the Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Nickolas S. Lewis
City Clerk

APPROVED AS TO FORM:

Scott E. Porter
City Attorney



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: APPOINTMENT OF CITY COMMISSIONERS

RECOMMENDATION:

It is recommended that the City Council receive and file this informational report.

DISCUSSION:

On June 2, 2015, the City Council adopted an ordinance, which amended sections of the West Covina Municipal Code related to the appointment, removal, vacancies, and terms of City Commissioners. The new ordinance was effective on July 2, 2015.

The new ordinance restructured the process of appointing City Commissioners. Specifically, the ordinance allows for the appointment of City Commissioners by individual appointment by each Councilmember, rather than by majority vote of the City Council. In addition, the ordinance established the term of office for each commissioner to be consistent with the term of office of the appointing Councilmember. The following appointments were effective February 1, 2019.

Mayor Lloyd Johnson is announcing the appointment/re-appointment of the following City Commissioners:

- Community and Senior Services Commission - Dave Stewart and Phil Kaufman
- Human Resources Commission - Ian Jones
- Planning Commission - Don Holtz

Mayor Pro Tem Tony Wu is announcing the appointment/re-appointment of the following City Commissioners:

- Community and Senior Services Commission - Tam Dinh and Alfred Williams
- Human Resources Commission - Peter Wang
- Planning Commission - Sheena Heng

Councilman Dario Castellanos is announcing the appointment/re-appointment of the following City Commissioners:

- Community and Senior Services Commission - Nick Lewis and Betty Valles
- Human Resources Commission - Henry Torres
- Planning Commission - Herb Redholtz

Councilwoman Letty Lopez-Viado is announcing the appointment/re-appointment of the following City Commissioners:

- Community and Senior Services Commission - Carole Mullner and Karim Zaklama
- Human Resources Commission - Jerri Potras
- Planning Commission - Gregory Jaquez

Councilmember Jessica Shewmaker is announcing the appointment/re-appointment of the following City Commissioners:

- Community and Senior Services Commission - Gayle Mason and Steve Bennett
- Human Resources Commission - Gary Villaloboz
- Planning Commission - Glenn Kennedy

Prepared by: Chris Freeland, City Manager



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: ZONE CHANGE NO. 19-01 INITIATION TO STUDY REVISING THE ZONING DESIGNATION FOR 1904 W. PACIFIC LANE

RECOMMENDATION:

It is recommended that the City Council initiate Zone Change No. 19-01 to consider revising the zoning designation from "Single-Family Residential" (R-1) to "Multiple-Family Residential" (MF-20) by adopting the following resolution:

RESOLUTION NO. 2019-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, INITIATING ZONE CHANGE NO. 19-01 TO STUDY A ZONE CHANGE FOR 1904 W. PACIFIC LANE

BACKGROUND:

The proposal is to initiate a Zone Change to change the zoning designation on the property at 1904 W. Pacific Lane from R-1 to MF-20. The block surrounded by Pacific Lane, Orange Avenue, W. Garvey Avenue North and Pacific Avenue consists primarily of lots zoned MF-20. One lot on that block is zoned "Neighborhood Commercial" (N-C) (the lot fronting Pacific Avenue), one lot is zoned "Office Professional" (O-P) (the lot on the northwest corner of Garvey Avenue and Orange Avenue), and the property at 1904 W. Pacific Lane that is zone R-1.

DISCUSSION:

On October 2, 2018, the City Council directed staff to prepare a resolution initiating a zone change for the property located at 1904 W Pacific Lane. The zone change initiation was in response to a request by the owner of the subject site at the public hearing when Tentative Parcel Map No. 73652, Precise Plan No. 15-07, and Variance No. 15-18 were approved allowing a 7-unit development at 1902 W. Pacific Lane. Prior to the City Council hearing, the Planning Commission had held two hearings on the proposal.

During these meetings it was brought to the attention of the City Council that the zoning of the property at 1904 W. Pacific Lane was not consistent with the immediately adjacent properties. The Council also heard testimony from the owner (Peggy Hale), who requested consideration of changing the zoning of her property from "Single-Family Residential" (R-1) to "Multiple-Family Residential" (MF-20).

Based on the direction given on October 2, 2018, a zone change initiation (Zone Change No. 19-01) has been prepared to consider changing the zoning of the property located at 1904 W. Pacific Lane from "Single-Family Residential" (R-1) to "Multiple-Family Residential" (MF-20). The subject property is approximately 16,000 square

feet in size and is improved with a 2,200 square foot house with a detached two-car garage. The site is surrounded by single-family and multi-family residences. To the north of the subject property the lots are “Single-Family Residential” (R-1). South and east of the property the lots are “Multiple-Family Residential” (MF-20) consisting of a large condo complex. West of the property are two lots with single-family residences; one of which will be demolished to make way for the previously mentioned multi-family townhome project (Tentative Parcel Map No. 73652, Precise Plan No. 15-07, and Variance No. 15-18). Both of the single-family residences to the west are zoned MF-20.

The project site is part of a larger block that includes properties zoned for “Office Professional” (O-P), “Neighborhood Commercial” (N-C) and the “Multiple-Family Residential” (MF-20). Currently the project site is the only property zoned “Single-Family Residential” (R-1). A zone change at this site would make the subject property consistent with the adjacent zoning.

Prepared by: Jeff Anderson

Attachments

Attachment No. 1 - Resolution No. 2019-08

ATTACHMENT NO. 1

RESOLUTION NO. 2019-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, INITIATING ZONE CHANGE NO. 19-01 INITIATION TO STUDY A ZONE CHANGE

WHEREAS, on February 5, 2019, the City Council initiated a Zone Change to change the zone from “Single-Family Residential” (R-1) to “Multiple -Family Residential” (MF-20); and

WHEREAS, the studies and investigations made by the City Council and on its behalf reveal the following facts:

1. The current zoning of the property located at 1904 W. Pacific Lane is “Single-Family Residential” (R-1).
2. The site is surrounded by single-family and multi-family residences. To the north of the property is “Single-Family Residential” (R-1) zoning. South and east of the property is “Multi-Family Residential” (MF-20) zoning and consists of a large condo complex. West of the property are two lots with single-family residences; one of which is the site of an approved seven-unit condominium and both of are zoned “Multi-Family Residential” MF-20.
3. The project site is part of a larger block that includes properties zoned for “Office Professional” (O-P), “Neighborhood Commercial” (N-C) and the “Multi-Family Residential” (MF-20).
4. A zone change at this site would make the property more consistent with the adjacent zoning

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of West Covina, in conformance with Section 26-153(a)(2) of the West Covina Municipal Code, does hereby initiate a Zone Change to change the zone of the property located at 1904 W. Pacific Lane from “Single-Family Residential” (R-1) to “Multiple -Family Residential” (MF-20).

APPROVED AND ADOPTED on this 5th day of February 2019.

Mayor/Lloyd Johnson

ATTEST:

City Clerk /Nickolas Lewis

I, NICKOLAS LEWIS, CITY CLERK of the City of West Covina, California, do hereby certify that the forgoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting held thereof on the 5th day of February 2019 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk/ Nickolas Lewis

APPROVED AS TO FORM:

City Attorney



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: BUDGET AMENDMENT FOR FISCAL YEAR 2018-19

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2019-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019

DISCUSSION:

During the first half of Fiscal Year 2018-19, the City experienced several substantial expenditures in its general liability, fleet maintenance, park maintenance, and utilities programs that were not anticipated. As a result, these programs are currently operating with significant budget shortfalls and additional funding is needed to maintain these programs through June 30, 2019. The following details the issues these operations have experienced during the current fiscal year and the additional funding needed to maintain these operations for the remainder of Fiscal Year 2018-19.

General Liability

The City's general liability program experienced several unanticipated claims that resulted in significant legal and settlement costs to the City during the first 7 months of the fiscal year. Of particular note, the City settled two high exposure tort claims against the Police Department that totaled \$192,360 in legal fees and \$1,025,000 in settlements. The cost for these two claims depleted the general liability program budget and resulted in an immediate budget deficit of \$737,360. These two claims were anomalies and their impact on the current fiscal year budget could not be anticipated.

Due to these unanticipated expenditures, staff is requesting a general fund appropriation of \$1,726,663 to cover the City's general liability program for the July 1, 2018 through June 30, 2019 period. This appropriation will cover the following:

- \$1,167,628.....appropriation needed to cover current program budget deficit.
- \$ 299,035.....appropriation needed to cover pending program expenses / invoices.
- \$ 260,000.....appropriation needed to cover program expenses for February 1 - June 30, 2019.

Fleet Maintenance - Uninsured Losses

The City's fleet maintenance operations have experienced abnormally high expenses due to an increase in patrol vehicle accidents during the first seven months of Fiscal Year 2018-19. The original budget amount for this item was \$60,000 and over the course of the current fiscal year, this item has been supplemented with an additional \$93,119 through internal budget transfers. To date, fleet maintenance expenses have averaged \$20,000 per month for the fiscal year. The current rate of expenditures is expected to result in an \$87,000 budget deficit at fiscal year-end.

In addition to the ongoing costs for operations and projected year-end budget deficit, there is also an immediate need to replace one police vehicle and one civilian service vehicle that were recently totaled. The replacement costs for these two vehicles are \$52,000 and \$40,000 respectively. Because these vehicle losses were unexpected, the fleet maintenance uninsured loss budget covers the replacement costs.

Due to these unanticipated expenditures, staff is requesting a general fund appropriation of \$292,119 to cover the City's fleet maintenance operations for the July 1, 2018 through June 30, 2019 period. This appropriation will cover the following:

- \$ 93,119.....appropriation needed to replenish prior internal budget transfers.
- \$ 107,000.....appropriation needed to cover projected year-end program budget deficit.
- \$ 92,000.....appropriation needed to cover vehicle replacements.

Park Maintenance

The unanticipated need to complete several park maintenance projects arose during the first seven months of Fiscal Year 2018-19. Specifically, the City was required to complete wood chip replenishments at Del Norte, Friendship, and Cameron Parks to meet health and safety standards. The need for this project was unknown to staff at the beginning of the fiscal year and it added \$6,000 of unanticipated expenditures to the City's park/landscape maintenance budget. In addition to the wood chip replenishment project, a grass reseeding project at Cortez Park was needed for the local sports leagues and was not previously budgeted. Due to these unanticipated expenditures, staff is requesting a general fund appropriation of \$14,500 to cover these projects and adequately fund park/landscape maintenance operations through June 30, 2019.

Utilities

During the current fiscal year, staff discovered a stopped (faulty) water meter at City Hall after Suburban Water did an audit of the City's account. It was determined that this meter was underreporting actual water usage at City Hall for the past few years and as a result, the City's water bill are now significantly greater than previous years. Suburban Water has since replaced the faulty meter and correct water usage is now being recorded and billed. Staff is requesting an appropriation of \$60,000 to cover the unanticipated water utility expense for the remainder of the year.

Attached for your review and consideration is Resolution No. 2019-10 approving an appropriation of funds and budget amendment to cover unanticipated expenditures for general liability, maintenance and utilities in Fiscal Year 2018-19 (Attachment No. 1).

Prepared by: Edward M. Macias, Human Resources Director

Fiscal Impact

FISCAL IMPACT:

This appropriation of funds will require a withdrawal of \$2,093,282 from the City's general fund reserves. The appropriation will be allotted as follows:

- \$1,726,663.....for unanticipated general liability legal defense and settlement expenses.
- \$ 292,119.....for unanticipated fleet maintenance expenses.
- \$ 14,500.....for unanticipated landscape maintenance expenses.
- \$ 60,000.....for unanticipated water utility expense.

Staff recognizes that this appropriation will result in a significant reduction in the City's general fund reserve and is actively working to mitigate future impacts.

Attachments

Attachment No. 1 - Resolution No. 2019-10 Approving Appropriation of Funds and Budget Amendment

ATTACHMENT NO. 1

RESOLUTION NO. 2019-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019

WHEREAS, the City Manager, on or about August 21, 2018, submitted to the City Council a proposed budget for the appropriation and expenditure of funds for the City of West Covina for Fiscal Year 2018-19; and

WHEREAS, following duly given notice and prior to budget adoption, the City Council held public meetings, considering and evaluating all comments, and adopted a budget for the fiscal year commencing July 1, 2018 and ending June 30, 2019; and

WHEREAS, amendments must periodically be made to the budget to conform to changed circumstances following adopting of the budget.

NOW, THEREFORE, the City Council of the City of West Covina does resolve as follows:

SECTION 1. That the budget amendments for Fiscal Year 2018-19 are hereby approved as reflected in Exhibit 1 and Exhibit 2 attached hereto.

SECTION 2. That this resolution shall be effective immediately upon passage and adoption.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED on this 5th day of February 2019.

Lloyd Johnson
Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Porter
City Attorney

Nickolas S. Lewis
City Clerk

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof on the 5th day of February 2019, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Nickolas S. Lewis
City Clerk

Exhibit 1

CITY OF WEST COVINA BUDGET AMENDMENT

BA #

Posted By:

Date Posted:

Date: 2/5/2019
Requested by: Edward M. Macias
Dept/Div: Human Resources

Fiscal Year:	2018-19
Amount:	\$1,726,663.00
Description:	GL Legal & Claims Funds

EXPENDITURES

[illegible]

REVENUES

Account Number	Account Description	Current Budget	Proposed Amendment	Amended Budget
				-
				-
				-
				-
				-

REASON/JUSTIFICATION (Please be specific)

Unanticipated claims against the City (WCPD) that resulted in substantial legal and settlement costs that depleted the general liability program budget prior to mid-year. The \$1,726,663 will come from General Fund fund balance.

APPROVALS

City Council Approval Date (if required, attach minutes): ☐ Approval Not Required

Dept Head Approval: see attached Date:

Finance Director: _____ Date: _____

Funds Available? ☐ Yes ☐ No

City Manager: see attached Date: _____

(if over \$100,000)

☐ Approved ☐ Denied

**CITY OF WEST COVINA
BUDGET AMENDMENT**

BA #

Posted By:

Date Posted:

Date: 2/5/2019
 Requested by: Nikole Bresciani
 Dept/Div: Public Services - Maintenance

Fiscal Year: 2018-19
 Amount: 366,619.00
 Description: Fleet, Landscape & Utilities

EXPENDITURES

Account Number	Dept/Account Description	Current Budget	Proposed Amendment	Amended Budget
110.41.4142.6130	Service Contracts	240,025.00	8,500.00	248,525.00
110.41.4142.6143	Water Utility	30,000.00	60,000.00	90,000.00
110.41.4142.6270	Other Supplies / Materials	65,000.00	6,000.00	71,000.00
				-
365.41.4170.6329	Other Vehicle Sublet Repairs	482,939.69	67,862.00	550,801.69
365.41.4170.6325	Parts	30,000.00	20,000.00	50,000.00
365.41.4170.6270	Other Supplies / Materials	743.00	5,257.00	6,000.00
365.41.4170.6417	Fleet Maint - Uninsured Loss	153,119.31	199,000.00	352,119.31
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-
				-

REVENUES

Account Number	Account Description	Current Budget	Proposed Amendment	Amended Budget
				-
				-
				-
				-
				-

REASON/JUSTIFICATION (Please be specific)

To cover unanticipated expenses related to fleet maintenance, landscape maintenance, and utilities. The \$366,619 will come from General Fund fund balance.

APPROVALS

City Council Approval Date (if required, attach minutes): _____ ☐ Approval Not Required

Dept Head Approval: see attached Date: _____

Finance Director: _____ Date: _____

Funds Available? ☐ Yes ☐ No

City Manager: see attached Date: _____

(if over \$100,000)

☐ Approved ☐ Denied



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE NON-SWORN SAFETY SUPPORT EMPLOYEES' ASSOCIATION AND THE UPDATED POSITION CLASSIFICATION SPECIFICATION AND SALARY SCHEDULE FOR PUBLIC SAFETY DISPATCHER AND SENIOR COMMUNICATIONS OPERATOR

RECOMMENDATION:

It is recommended that the City Council adopt the following resolutions:

RESOLUTION NO. 2019-02 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WEST COVINA AND THE WEST COVINA NON-SWORN SAFETY SUPPORT EMPLOYEES' ASSOCIATION FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2019

RESOLUTION NO. 2019-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE REVISED POSITION CLASSIFICATION SPECIFICATION AND ADJUSTED SALARY SCHEDULE FOR PUBLIC SAFETY DISPATCHER AND SENIOR COMMUNICATIONS OPERATOR

BACKGROUND:

Over the last 20 months, the City has been negotiating a successor Memorandum of Understanding (MOU) with the Non-Sworn Safety Support Employees' Association (Non-Sworn Unit). The Non-Sworn Unit's current MOU expired on June 30, 2017. In addition to MOU negotiations, the City has also been meeting with the Non-Sworn Unit to address significant staffing issues for the Public Safety Dispatcher and Senior Communications Operator positions within the bargaining unit.

The Non-Sworn Unit is one of five miscellaneous employee bargaining units recognized by the City. The four other miscellaneous bargaining units are the Confidential Employees' Association (Confidential Unit), General Employees' Association (General Unit), Maintenance and Crafts Employees' Association (Maintenance Unit), and Mid-Management Employees' Association (Mid-Management Unit). Currently, these five bargaining units together represent approximately 150 full-time employees working in position classifications ranging from Account Clerk to Public Services Superintendent. As a sub-set of the City's five miscellaneous employee bargaining units, the Non-Sworn Unit represents 42 full-time employees working in position classifications ranging from Police Records Clerk to Public Safety Dispatcher. Members of the Non-Sworn Unit perform important field and administrative functions that directly support the City's sworn Police and Fire personnel.

On June 19, 2018, the City Council approved two-year MOU's with the Confidential Unit, General Unit, Maintenance Unit, and Mid-Management Unit covering the period July 1, 2017 through June 30, 2019. Together, these four bargaining units agreed to commensurate benefit increases and decreases over the two-year agreement with slight variations between each agreement due to the differing scopes of each unit's work. For example, the Maintenance Unit agreed to a monthly stipend for unit members who maintain a Class "A" commercial drivers' license because the unit's general scope of work requires this type of specialized license. The most notable items that these units each agreed to are listed below:

1. Unit Gain - 2% salary increase effective July 1, 2018 (all units);
2. Unit Gain - Addition of Veteran's Day to the schedule of paid holidays (all units);
3. Unit Gain - One-time cash-out of 10 hours accrued leave time (all units);
4. Unit Gain - Matching deferred comp up to \$50/month (General and Maintenance Units only);
5. Unit Gain - \$100 per month stipend for Class A Driver's License (Maintenance Unit only);
6. Cost Control - Cap City's medical contributions for all new hires as of July 1, 2018 (all units);
7. Cost Control - Increase employee contributions to CalPERS from 7% to 7.72% for "Classic New Members" (all units);
8. Cost Control - Eliminate the sick leave cash-out option upon separation/retirement for unit members hired on or after July 1, 2018 (all units);
9. Cost Control - Exclude the medical cash-out amount from the overtime calculation (all units);

The combined cost for the two-year MOU's with these four bargaining units was conservatively estimated at \$285,925.

DISCUSSION:

On December 10, 2018, representatives of the Non-Sworn Unit and City tentatively agreed upon a two-year MOU covering the period July 1, 2017 through June 30, 2019. This tentative agreement contains similar benefit increases and decreases that the City's four other miscellaneous bargaining units received in their latest MOU's with two major exceptions which are explained later in this report. If approved, this agreement will make the Non-Sworn Unit's MOU current and put it back on track with the four other miscellaneous bargaining units. The main provisions contained in the tentative agreement are listed below:

1. Cost Control - Status quo agreement for July 1, 2017 – June 30, 2018 period (no retroactive enhancements);
2. Unit Gain - Add Veteran's Day to the schedule of paid holidays, effective November 2018;
3. Unit Gain - Add matching deferred comp benefit up to \$50/month, effective January 26, 2019;
4. Unit Gain - 2% salary increase, effective June 30, 2019 (first payroll period in July 2019);
5. Cost Control - Eliminate the sick leave cash-out option upon separation or retirement for unit members hired on or after July 1, 2018;
6. Cost Control - Cap medical premium contributions at the 2019 Kaiser LA Region rates for all unit employees, effective January 1, 2019;
7. Cost Control - Increase employee contributions to CalPERS from 7% to 7.72% for "Classic New Members" effective February 9, 2019 (increases to statutory minimum);
8. Cost Control - Exclude medical cash-out amount from the overtime calculation, effective February 9, 2019.

As stated earlier, the tentative agreement with the Non-Sworn Unit has two major exceptions from the MOU's recently entered into with the four other miscellaneous bargaining units. First, the Non-Sworn Unit has agreed to defer for one year and make its 2% salary increase non-retroactive. The one-year deferral pushes the effective date for the 2% salary increase to June 30, 2019. This is a major concession by the unit given the fact that all other miscellaneous units received a 2% salary increase effective July 1, 2018. This one-year deferral saves the City approximately \$48,100 in salary and benefits for Fiscal Year 2018-19.

The second exception to this tentative agreement is that the Non-Sworn Unit has agreed to cap the City's medical premium contributions at the 2019 Kaiser LA Region rates on all unit employees. This is another major concession by the Non-Sworn Unit and it significantly differs from the medical cap agreed to by the four other miscellaneous

bargaining units in that those units only agreed to cap medical on new hires as of July 1, 2018. To provide context to this item, the City's current medical contributions are tied to the Kaiser LA Region premium rates, which have increased by 18.6% from 2014 - 2018. For a more itemized analysis of the Kaiser medical premium rates and the City's maximum obligations for 2014 - 2018, please see Attachment No. 1, Table 1.

Furthermore, the City's actual medical premium contributions for the Non-Sworn Unit during the same 2014 - 2018 period have increased by 35.2% (\$250,267 in FY 2014-15 to \$338,440 in FY 2017-18). If we use this bargaining unit's average annual rate of increase (10.8% annually) for medical premiums during the 2014 - 2018 period, we can expect the City's medical contributions for this unit to increase from \$338,440 in FY 2017-18 to \$510,000 in FY 2021-22. The medical cap contained in this tentative agreement with the Non-Sworn Unit can reasonably be expected to save the City approximately \$224,000 over the next four fiscal years. Most importantly, the medical cap contained in this tentative agreement will establish a critical cost control that will help the City address an intertwined problem of rapidly increasing medical premiums and an ongoing structural deficit. For a more itemized analysis of the City's actual premium contributions for the Non-Sworn Unit over the 2014 - 2018 period along with cost estimates for the 2019 - 2022 period, please see Attachment No. 1, Table 2.

The tentative agreement with the Non-Sworn Unit will cost approximately \$12,400 over the two-year term of the agreement, with an average cost per unit member being \$12.30 per month over the two-year period. This tentative agreement will have minimal impact on the City's current year budget, it contains significant cost controls, and it will cost less to maintain in future fiscal years than the MOU's entered into with the City's four other miscellaneous units for the same period. The tentative agreement with the Non-Sworn Unit is favorable. For a more detailed cost summary of this tentative agreement and comparison with the other miscellaneous unit MOU's, please see Attachment No. 2. Also attached for your review and consideration is Resolution No. 2019-02 approving a successor MOU with the Non-Sworn Unit for the period covering July 1, 2017 through June 30, 2019 (Attachment No. 3).

Public Safety Dispatch Operations Update

In addition to MOU negotiations, the City and Non-Sworn Unit have also been meeting and conferring over changes to dispatch operations. After more than 18 months of this process, the City and Non-Sworn Unit have agreed to specific changes to the salary schedules and position classification specifications for Public Safety Dispatcher and Senior Communications Operator. These changes are intended to address significant staffing issues within the City's dispatch operations.

Currently, the City maintains ten (10) Public Safety Dispatcher positions and four (4) Senior Communications Operator positions to meet adequate staffing levels for dispatch operations. Over the past several years, the City has consistently experienced a 30% - 50% vacancy rate in these two critical positions. This persistently high vacancy rate has resulted in increased workloads for existing dispatch personnel, increased staff turnover, and increased overtime costs to cover staffing shortages.

Staff has determined that this issue is primarily driven by the City's current pay rates for Public Safety Dispatcher and Senior Communications Operator, which have fallen significantly below the market rate for these two positions over the past several years. For example, a recent salary study conducted by staff shows that the City's current salary rate for Public Safety Dispatcher ranks last in a pool of 16 local cities with similar dispatch operations. This same study also shows that the City's current salary rate for Senior Communications Operator ranks sixth in a pool of seven (7) local cities with comparable senior dispatch positions. In terms of market variance, the current salaries for Public Safety Dispatcher and Senior Communications Operator are 16.09% and 9.35% below the market average respectively. To address this issue, staff recommends adjusting the monthly pay range for Public Safety Dispatcher and Senior Communications Operator as follows:

POSITION TITLE	CURRENT PAY RANGE	PROPOSED PAY RANGE
Public Safety Dispatcher	\$3,601 - \$4,376 / month	\$4,352 - \$5,289 / month
Senior Comm. Operator	\$4,266 - \$5,186 / month	\$4,874 - \$5,923 / month

With this adjustment, the top pay step for Public Safety Dispatcher increases from \$4,376 to \$5,289 per month and for Senior Communications Operator from \$5,186 to \$5,923 per month. These recommended adjustments will bring the salaries for these two positions to within 0.31% and 1.66% of the market average for comparable positions respectively. For a more detailed review of the salary survey and analysis that was conducted for this report, please see Attachment No. 4.

Staff has also determined that the job classification specifications (i.e., job descriptions and requirements) for Public Safety Dispatcher and Senior Communications Operator need to be updated to address current industry standards and requirements. The most notable change made to the job specifications is the inclusion of "tiered dispatching" as a required skill and certification for emergency dispatch personnel. The tiered dispatching model is considered a more efficient dispatch model because it requires dispatchers to better assess emergency calls and to deploy the most optimal level of emergency resources to each call. This model is expected to significantly reduce the frequency in which maximum emergency resources are unnecessarily deployed to calls that do not require maximum resources. This model is expected to optimize the City's emergency resources and generate budget savings. Staff anticipates having the tiered dispatching model fully implemented by June 30, 2019.

Attached for your review and consideration is Resolution No. 2019-09 approving the updated position classification specification and salary schedule for Public Safety Dispatcher and Senior Communications Operator (Attachment No. 5).

OPTIONS:

The following options are available to the City Council:

1. Approve staff's recommendation; or
2. Provide alternative direction.

Prepared by: Edward M. Macias, Human Resources Director

Fiscal Impact

FISCAL IMPACT:

The cost to implement the updated MOU is estimated to be \$12,400 over its two-year term, of which 100% is attributable to Fiscal Year 2018-19. This represents an average monthly benefit increase of \$12.30 per unit member over the two-year term of the MOU. It is anticipated that the current year budget is sufficiently funded to cover this additional cost.

The cost to implement the updated salary schedule for Public Safety Dispatcher and Senior Communications Operator on March 9, 2019 is estimated to be \$45,636 (\$41,338 for salaries and \$4,298 for benefits) in Fiscal Year 2018-19. Due to anticipated salary savings, the current year budget is expected to have sufficient funding to cover the additional cost generated by the salary adjustment through the remainder of Fiscal Year 2018-19 (ending June 30, 2019).

Fiscal Year 2019-20 Cost Impact

The 2017-19 MOU and dispatch unit salary adjustment together are estimated to increase salaries and benefits by \$49,042 (\$44,264 for salaries and \$4,778 for benefits) in Fiscal Year 2019-20. This future year cost impact does not take into consideration the cost savings expected from the hard medical cap that is effective January 1, 2019. The cost savings from the medical cap is estimated to be \$40,484 in Fiscal Year 2019-20. The ongoing fiscal impact from the 2017-19 MOU and dispatch salary adjustment will continuously be assessed and accounted for in future budget periods.

Attachments

Attachment No. 1 - Medical Premium Rate Tables 1 & 2

Attachment No. 2 - Non-Sworn MOU Cost Detail & Comparison

Attachment No. 3 - Resolution 2019-02 Approving NSEA 2017-19 MOU

Attachment No. 4 - Dispatch Position Salary Study

Attachment No. 5 - Resolution 2019-09 Approving Dispatch Class Spec & Salary Adjustment

CITY COUNCIL GOALS & OBJECTIVES: Build Financial Health & Economic Stability

TABLE 1 - KAISER MEDICAL PREMIUM RATES FOR 2014 - 2018

Calendar Year	Single	Single + 1	Family
2014	\$541.79	\$1,083.58	\$1,408.65
<i>Year-Over-Year % Change</i>	<i>-3.80%</i>	<i>-3.80%</i>	<i>-3.80%</i>
2015	\$521.18	\$1,042.36	\$1,355.07
<i>Year-Over-Year % Change</i>	<i>4.35%</i>	<i>4.35%</i>	<i>4.35%</i>
2016	\$543.83	\$1,087.66	\$1,413.96
<i>Year-Over-Year % Change</i>	<i>5.53%</i>	<i>5.53%</i>	<i>5.53%</i>
2017	\$573.89	\$1,147.78	\$1,492.11
<i>Year-Over-Year % Change</i>	<i>11.99%</i>	<i>11.99%</i>	<i>11.99%</i>
2018	\$642.70	\$1,285.40	\$1,671.02
Premium Increase from 2014 - 2018	\$100.91	\$201.82	\$262.37
% Change 2014 - 2018	18.63%	18.63%	18.63%
Average YOY % Change 2014 - 2018	4.51%	4.51%	4.51%

TABLE 2 - NON-SWORN UNIT MEDICAL PREMIUM COST ANALYSIS

Actual Costs / City Contributions	Medical Premiums	YOY % Change	YOY Difference	4-Year % Change
FY 2014-15 Actual	\$250,267	-	-	-
FY 2015-16 Actual	\$255,873	2.2%	\$5,606	-
FY 2016-17 Actual	\$304,435	19.0%	\$48,562	-
FY 2017-18 Actual	\$338,440	11.2%	\$34,005	35.2%
		10.8%¹		

¹ This is the average year-over-year percent increase/decrease in the City's actual contributions.
This rate is used to estimate future contribution increases.

Estimated Costs / City Contributions	Medical Premiums	Avg YOY % Change	YOY Difference	4-Year % Change
FY 2018-19 Estimate²	\$374,979	10.8%	\$36,539	
FY 2019-20 Estimate	\$415,463	10.8%	(\$40,484)	
FY 2020-21 Estimate	\$460,317	10.8%	(\$85,338)	
FY 2021-22 Estimate	\$510,014	10.8%	(\$135,035)	36.0%
Estimated Premium Savings for FY 2018-19 - FY 2021-22			(\$224,318)	

² Medical cap is implemented and this represents the baseline year for estimating year-over-year cost savings due to the medical premium cap. For all subsequent years, premium increases will be measured against this year's estimate and considered cost savings.

2-YEAR MOU COSTING DETAIL**July 1 2017 - June 30, 2019**

	Maintenance 31 Units ⁶	General 33 Units	Confidential 28 Units	Mid-Mgmt 32 Units	Non-Sworn 42 Units	Total 166 Units
Effective July 1, 2017						
1) One-Time Cash Out of 10 hrs Vacation Leave	7,537	8,604	8,196	12,996	N/A	37,332
2) Add Veterans Day Holiday ¹	N/A	N/A	N/A	N/A	N/A	-
3) Exclude Medical Cash-Out Amount from OT Calculation ²	N/A	N/A	N/A	N/A	N/A	-
4) Uniform Allowance Code Enforcement Officer (\$600)	N/A	1,328	N/A	N/A	N/A	1,328
5) Class A Stipend for Required Positions (\$100/month)	28,800	N/A	N/A	N/A	N/A	28,800
Effective July 1, 2018						
1) 2% COLA ³	35,445	39,988	36,996	60,389	N/A ⁷	172,817
2) Increase CalPERS Contribution to 7.72% for Tier 2 Employees	(631)	(730)	(1,113)	(3,581)	(211)	(6,266)
3) Medical Cap for New Unit Hires	TBD ⁴	TBD ⁴	TBD ⁴	TBD ⁴	TBD ⁸	-
4) Amend Acting Pay Provision (Eliminate 30-Day Wait Period)	N/A	N/A	N/A	N/A	N/A	-
5) Eliminate Sick Leave Payoff at Retirement (New Hires Only)	N/A	N/A	N/A	N/A	N/A	-
6) Increase Floating Holiday from 36 to 40 Hours	N/A	6,847	6,451	N/A	N/A	13,298
7) Deferred Compensation Matching Benefit ⁵	18,600	19,800	N/A	N/A	12,600 ⁹	51,000
TOTAL COST OVER 2-YEAR TERM	\$89,750	\$75,837	\$50,530	\$69,804	\$12,389	\$298,309
AVERAGE COST PER UNIT MEMBER	\$2,895	\$2,298	\$1,805	\$2,181	\$295	\$1,797

¹ Assumes Soft cost / loss in productivity.² Assumes Neutral cost savings.³ On-going/compounding cost for subsequent contract periods.⁴ Cap on new hires only - cost savings can only be determined as new hires join the organization.⁵ Assumes all unit members will contribute the maximum matching amount of \$50/month.⁶ Effective September 7, 2018, the Maintenance Unit was reduced from 31 to 14 budgeted positions pursuant to the FY 2018-19 budget. The costing for the 2-year MOU is based on the 31 positions.⁷ 2% increase is deferred to June 30, 2019 resulting in no cost impact during the term of the agreement. Impact occurs in FY 2019-20 and will be \$45,879 annually.⁸ For Non-Sworn Unit, cap applies to all unit members. Cost savings will start in FY 2019-20 and are estimated to be \$40,484 in FY 2019-20, \$85,338 in FY 2020-21 and \$135,035 in FY 2021-22.⁹ Assumes all unit members will contribute the maximum matching amount of \$50/month, starting in January 2019.

RESOLUTION NO. 2019-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WEST COVINA AND THE WEST COVINA NON-SWORN SAFETY SUPPORT EMPLOYEES' ASSOCIATION FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2019

WHEREAS, the City of West Covina has met and conferred with representatives for the West Covina Non-Sworn Safety Support Employees' Association; and,

WHEREAS, the City of West Covina and the West Covina Non-Sworn Safety Support Employees' Association have agreed upon certain changes to the benefits and terms and conditions of employment in the agreed upon Memorandum of Understanding for the period of July 1, 2017 through June 30, 2019.

NOW, THEREFORE, the City Council of the City of West Covina does resolve as follows:

SECTION 1. That the two (2) year agreement from July 1, 2017 through June 30, 2019 between the City of West Covina and the West Covina Non-Sworn Safety Support Employees' Association is hereby approved and ratified and all applicable changes are contained in the Memorandum of Understanding are hereby adopted. Exhibit 1 provides a detailed outline of the changes agreed to in this Memorandum of Understanding.

SECTION 2. That the position classifications within the City's Full-Time Salary Schedule represented by the Non-Sworn Safety Support Employees' Association are hereby established as listed on Exhibit 2.

SECTION 3. That this resolution shall be effective immediately upon passage and adoption.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED on this 5th day of February 2019.

Lloyd Johnson
Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Porter
City Attorney

Nickolas S. Lewis
City Clerk

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof on the 5th day of February 2019, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Nickolas S. Lewis
City Clerk



NON-SWORN SAFETY EMPLOYEES

Successor Memorandum of Understanding

July 1, 2017 through June 30, 2019

The City and Non-Sworn Safety Support Employees' Association (Association) have agreed to a two (2) year successor Memorandum of Understanding (MOU) covering the period of July 1, 2017 through June 30, 2019. The terms and conditions of this agreement are as follows:

July 1, 2017 – June 30, 2018

Status Quo (no substantive changes) – for the period covering July 1, 2017 through June 30, 2018, the City and Association agree to maintain the status quo. All terms and conditions established by the prior year MOU dated July 1, 2016 through June 30, 2017 shall remain in full force and effect for this period.

Effective July 1, 2018

1. Add Veteran's Day to the schedule of paid holidays (10 hours of comp time shall be deposited for FY 2018-19).
2. Add Deferred Compensation Provision: add a deferred compensation matching benefit up to \$50 per month for all unit employees. This benefit shall be conditioned on a matching principle in which the City will contribute up to \$50 per month to each employee's deferred compensation account on an employee-employer dollar-for-dollar matching basis. (For administrative purposes, this item shall be effective the first pay period after the MOU is ratified by Council).
3. Add Medical Cash-Out Provision (Flores vs. San Gabriel): medical cash-out amount shall be excluded from the overtime calculation (effective upon adoption and implementation of the MOU).
4. Amend Sick Leave Pay-Off Upon Retirement Provision: eliminate the provision for sick leave cash-out upon retirement from the City for all new employees hired on or after July 1, 2018.

Effective January 1, 2019

1. Medical Cap: City contributions to medical premiums for all unit members shall be capped at the 2019 Kaiser LA Region rates for single, single plus one, and family. The 2019 rates have been established as follows:

Single.....	\$618.64
Single + 1..	\$1,237.28
Family.....	\$1,608.46
2. CalPERS employee contribution increase: employee contributions to CalPERS shall be increased to the statutory limit established on January 1, 2018 for Tier 2 employees (i.e., Classic New

Exhibit 1

Members). This shall increase employee contributions from 7% to 7.72%, which is the new statutory limit. (For administrative purposes, this item shall be implemented the first pay period after the MOU is ratified by Council)

Effective June 30, 2019

1. 2% base salary increase. The salary increase shall be non-retroactive and implemented the first pay period of July 2019.

NON-SWORN SAFETY EMPLOYEES
Represented Position Classification Salary Schedule
Effective June 30, 2019

The City and Non-Sworn Safety Support Employees' Association (Association) have agreed to a two (2) year successor MOU covering the period of July 1, 2017 through June 30, 2019. Pursuant to this agreement, members of the Association shall receive a 2% salary increase the first pay period of July 2019. The salary schedule for the position classifications represented by the Association shall be as follows starting the first pay period of July 2019:

MONTHLY PAY SCHEDULE

POSITION	GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Community Services Officer	NS160	\$3,321	\$3,487	\$3,661	\$3,845	\$4,038
Forensic Specialist	NS003	\$4,348	\$4,582	\$4,817	\$5,051	\$5,285
Jailer	NS130	\$3,458	\$3,634	\$3,814	\$4,007	\$4,205
Lead Jailer	NS131	\$3,806	\$4,011	\$4,216	\$4,421	\$4,626
Police Records Specialist I	NS070	\$2,885	\$3,032	\$3,182	\$3,341	\$3,508
Police Records Specialist II	NS110	\$3,094	\$3,249	\$3,411	\$3,583	\$3,761
Public Safety Dispatcher	NS001	\$4,439	\$4,661	\$4,894	\$5,139	\$5,394
Senior Communications Op	NS002	\$4,972	\$5,220	\$5,481	\$5,755	\$6,042

PUBLIC SAFETY DISPATCH**Salary Study****January 15, 2019**

AGENCY	CURRENT TOP SALARY STEP		PROPOSED TOP SALARY STEP	
	DISPATCHER	SR DISPATCH	DISPATCHER	SR DISPATCH
Azusa	\$5,096		\$5,096	
Baldwin Park	\$4,812		\$4,812	
Bell Gardens	\$5,754	\$6,325	\$5,754	\$6,325
Brea	\$5,454	\$6,001	\$5,454	\$6,001
Burbank	\$5,443		\$5,443	
Covina	\$5,543		\$5,543	
Downey	\$5,047	\$6,087	\$5,047	\$6,087
El Monte	\$5,170		\$5,170	
Fontana	\$5,377	\$5,652	\$5,377	\$5,652
Glendora	\$4,667	\$5,134	\$4,667	\$5,134
Irwindale	\$5,461		\$5,461	
La Verne	\$5,101		\$5,101	
Pasadena	\$6,046		\$6,046	
Pomona	\$5,130	\$5,661	\$5,130	\$5,661
San Gabriel	\$4,963		\$4,963	
West Covina	\$4,376	\$5,186	\$5,289	\$5,923
Market Average	\$5,215	\$5,721	\$5,272	\$5,826
West Covina Market Variance	-16.09%	-9.35%	0.31%	1.66%
West Covina Market Ranking	16	6	8	4
Number of Comparators	16	7	16	7
High	\$6,046	\$6,325	\$6,046	\$6,325
Median	\$5,150	\$5,661	\$5,229	\$5,923
Low	\$4,376	\$5,134	\$4,667	\$5,134

RESOLUTION NO. 2019-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE REVISED POSITION CLASSIFICATION SPECIFICATION AND ADJUSTED SALARY SCHEDULE FOR PUBLIC SAFETY DISPATCHER AND SENIOR COMMUNICATIONS OPERATOR

WHEREAS, the City of West Covina has met and conferred with representatives for the West Covina Non-Sworn Safety Support Employees' Association; and,

WHEREAS, the City of West Covina and the West Covina Non-Sworn Safety Support Employees' Association have agreed upon certain revisions to the position classification specifications for Public Safety Dispatcher and Senior Communications Operator; and,

WHEREAS, the City of West Covina and the West Covina Non-Sworn Safety Support Employees' Association have agreed upon an adjustment to the salary schedules for Public Safety Dispatcher and Senior Communications Operator; and,

WHEREAS, the City of West Covina and the West Covina Non-Sworn Safety Support Employees' Association have agreed the revised position classification specifications and adjusted salary schedules for Public Safety Dispatcher and Senior Communications Operator shall be effective March 9, 2019.

NOW, THEREFORE, the City Council of the City of West Covina does resolve as follows:

SECTION 1. That the revised position classification specifications for Public Safety Dispatcher (Exhibit 1) and Senior Communications Operator (Exhibit 2) are hereby approved and ratified.

SECTION 2. That the adjusted salary schedules for Public Safety Dispatcher and Senior Communications Operator (Exhibit 3) are hereby approved and ratified.

SECTION 3. That this resolution shall be effective immediately upon passage and adoption.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED on this 5th day of February 2019.

Lloyd Johnson
Mayor

APPROVED AS TO FORM:

ATTEST:

Scott E. Porter
City Attorney

Nickolas S. Lewis
City Clerk

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof on the 5th day of February 2019, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Nickolas S. Lewis
City Clerk

**CITY OF WEST COVINA
CLASSIFICATION SPECIFICATION**

PUBLIC SAFETY DISPATCHER

Bargain Unit: Non-Sworn Safety

Pay Grade: NS001

FSLA: Non-Exempt

Established: July 7, 2015

Revised: February 5, 2019, Resolution No. 2019-09

JOB SUMMARY

Under supervision, dispatches police, fire, or other City resources or contract vehicles; maintains radio contact and status of each vehicle in the field; operates a computer terminal; operates a telephone switchboard, giving general information to callers and making necessary connections with other departments; and does related work as required.

ESSENTIAL FUNCTIONS

Under supervision and with minimal assistance, incumbents in this class must ably perform the following functions:

1. Ably serve on a shift basis as a dispatcher in the Communications Center.
2. Effectively receive and process service requests and calls made by telephone, radio, computer/mobile application, and teletype.
3. Effectively discern reported emergencies and service requests and dispatch the appropriate fire, police or other City resources to respond to reported emergencies and service requests in the field.
4. Effectively maintains radio contact with units at all times during shift assignments and sends needed or requested assistance as indicated.
5. Effectively maintains the status of all mobile units continuously, indicating the disposition of each by mechanical or other means.
6. Tiered Dispatching - Understands and effectively responds to calls utilizing the tiered dispatch model. This includes receiving, identifying, and accurately evaluating emergency and routine calls for fire and paramedic services and accurately determining what type of response is needed in the field by following a line of questions and responses.
7. Effectively monitors Fire Department equipment status/availability and paging system (ZETRON).
8. Effectively provides pre-arrival medical instruction and lifesaving directions over the telephone by following emergency medical dispatching procedures (EMD).
9. Effectively monitors local hospitals' availability and advises Fire Personnel. (REDDINET).
10. Requests and acquires additional resources through mutual aid when requested.

11. Operates public safety communication equipment, including computer aided dispatch (CAD), multi-frequency radio transmitter/receiver, multiline telephone system (VESTA).
12. Receives, prioritizes and acts upon emergency and non-emergency calls for police, fire and emergency medical services. Receive calls for various city departments and directs them appropriately. Provide after hour emergency call-out duties for Public Works.
13. Maintains radio contact with units at all times, ensuring Officer safety by maintaining an accurate status screen, running subjects, vehicles and locations for want/warrants, previous address and subject history. Provides unit support by dispatching tows, calling other agencies, confirming warrants and other notifications.
14. Keeps field sergeants and watch commander apprised of emergency situations and request additional units and equipment as needed.
15. Monitors and assists 9-1-1 calls for service received via text messaging.
16. Monitors outside agencies frequencies for mutual aid (LASO AIR).
17. Performs multiple, routine and complex dispatch tasks simultaneously in a calm and effective manner.
18. Calms angered or distraught callers while obtaining pertinent information to assist them.
19. Effectively manages and responds to radio transmissions during hectic, tense and dangerous situations.
20. Enters, maintains, retrieves and interprets data in Police Department Records Management System (RMS).
21. Makes required Department of Justice (DOJ) entries for all emergency dispatch communications matters including missing persons, stolen vehicles, private property impounds, and repossessions in a timely and accurate manner
22. Knows geography of the City and surrounding areas, including streets, intersections, landmarks, businesses, boundaries, districts, and beats. Ability to read maps, understand directions, and give clear oral directions.
23. Monitors and assists citizens after hours via public phone outside Police Department lobby.
24. Monitors Cameras around the Police Station and reports unusual activities as necessary.
25. Receives calls of a general nature, gives appropriate information to callers and routes calls to their proper destination.
26. Sends and receives teletype messages and routes them to appropriate destinations.
27. Gives depositions and testifies in Court as needed.

REQUIRED KNOWLEDGE & ABILITIES

Required Knowledge

Knowledge of office procedures; ability to answer multiple telephone lines and provide information under stressful conditions; radio-telephone operation is desirable. Knowledge of emergency dispatching for both police and fire calls. Knowledge of tiered dispatching.

Required Abilities

Work well under pressure. Ability to discern emergency service calls via radio, telephone, computer/mobile application, mobile text messaging, and teletype and dispatch the appropriate resources to the call. Ability to multi-task.

MINIMUM QUALIFICATIONS

Experience and Education

One year of general office experience which included heavy public contact providing information and assistance. High school diploma or GED. College coursework in communications or other related field is desirable.

Skills

Keyboarding at 45 wpm.

Physical Requirements

This position also requires extensive and repetitive physical activity involving the arms, wrists, and hands, including writing and using a keyboard. It also requires physical abilities associated with the ability to read, write and communicate in a work environment requiring no extraordinary physical strength or other special physical qualifications.

SUPPLEMENTAL INFORMATION

Working Conditions

Must be able to work 12-hour shifts; different days, including nights, weekends, holidays, and extended hours. Once qualified to work independently, will be assigned to rotating shifts (3-12 plan). On occasion, may be required to work over the work week norm in compliance with the Department's mandatory holdover and call back policies. This position requires extensive and repetitive physical activity involving the arms, wrists, and hands, including writing and using a keyboard. Incumbents must be able to sit for extended periods of time. This position also requires physical abilities associated with the ability to read, write, and communicate in a work environment.

Equal Opportunity Employer

The City of West Covina is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodation to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

CITY OF WEST COVINA CLASSIFICATION SPECIFICATION

SENIOR COMMUNICATIONS OFFICER

Bargain Unit: Non-Sworn Safety

Pay Grade: NS002

FSLA: Non-Exempt

Established: July 7, 2015

Revised: February 5, 2019, Resolution No. 2019-09

JOB SUMMARY

Under general direction, acts as a Communications Center Watch Supervisor in the absence of the regularly assigned Supervisor; trains personnel; dispatches police, fire, or other City or contract vehicles; maintains radio contact and status of each vehicle in the field; operates a computer terminal; performs related work as required.

ESSENTIAL FUNCTIONS

Under general supervision, incumbents in this class must ably perform the following functions:

1. Ably serve on a shift basis as a dispatcher in the Communications Center.
2. Effectively receive and process service requests and calls made by telephone, radio, computer/mobile application, and teletype.
3. Effectively discern reported emergencies and service requests and dispatch the appropriate fire, police or other City resources to respond to reported emergencies and service requests in the field.
4. Effectively maintains radio contact with units at all times during shift assignments and sends needed or requested assistance as indicated.
5. Effectively maintains the status of all mobile units continuously, indicating the disposition of each by mechanical or other means.
6. Tiered Dispatching - Understands and effectively responds to calls utilizing the tiered dispatch model. This includes receiving, identifying, and accurately evaluating emergency and routine calls for fire and paramedic services and accurately determining what type of response is needed in the field by following a line of questions and responses.
7. Effectively monitors Fire Department equipment status/availability and paging system (ZETRON).
8. Effectively provides pre-arrival medical instruction and lifesaving directions over the telephone by following emergency medical dispatching procedures (EMD).
9. Effectively monitors local hospitals' availability and advises Fire Personnel. (REDDINET).
10. Requests and acquires additional resources through mutual aid when requested.

11. Operates public safety communication equipment, including computer aided dispatch (CAD), multi-frequency radio transmitter/receiver, multiline telephone system (VESTA).
12. Receives, prioritizes and acts upon emergency and non-emergency calls for police, fire and emergency medical services. Receive calls for various city departments and directs them appropriately. Provide after hour emergency call-out duties for Public Works.
13. Maintains radio contact with units at all times, ensuring Officer safety by maintaining an accurate status screen, running subjects, vehicles and locations for want/warrants, previous address and subject history. Provides unit support by dispatching tows, calling other agencies, confirming warrants and other notifications.
14. Keeps field sergeants and watch commander apprised of emergency situations and request additional units and equipment as needed.
15. Monitors and assists 9-1-1 calls for service received via text messaging.
16. Monitors outside agencies frequencies for mutual aid (LASO AIR).
17. Performs multiple, routine and complex dispatch tasks simultaneously in a calm and effective manner.
18. Calms angered or distraught callers while obtaining pertinent information to assist them.
19. Effectively manages and responds to radio transmissions during hectic, tense and dangerous situations.
20. Enters, maintains, retrieves and interprets data in Police Department Records Management System (RMS).
21. Makes required Department of Justice (DOJ) entries for all emergency dispatch communications matters including missing persons, stolen vehicles, private property impounds, and repossessions in a timely and accurate manner
22. Knows geography of the City and surrounding areas, including streets, intersections, landmarks, businesses, boundaries, districts, and beats. Ability to read maps, understand directions, and give clear oral directions.
23. Monitors and assists citizens after hours via public phone outside Police Department lobby.
24. Monitors Cameras around the Police Station and reports unusual activities as necessary.
25. Receives calls of a general nature, gives appropriate information to callers and routes calls to their proper destination.
26. As assigned, acts as communications equipment coordinator for Citywide communications network; assists departments in the planning, installation, and changes to telephone, paging and other communications related equipment and systems.
27. Serves as training officer and conducts training of new personnel; writes daily and weekly evaluations; makes recommendations regarding training procedures.
28. Assists in the development and implementation of training programs for entry-level personnel.
29. Sends and receives teletype messages and routes them to appropriate destinations.

30. In the absence of a supervisor, performs the following:

- a. Perform shift supervisor duties of the Communications Center and be responsible for efficient handling of the city's communication systems, preparation of reports, logs and filing necessary to the operations.
- b. Coordinates and monitors the repair of City owned communications equipment, including phones and radio systems.
- c. Programs and troubleshoots radios, pagers, alarms, and vocal alarms when requested.
- d. Provides dispatch recordings when properly requested (VPI).
- e. Ascertain that all programs are signed into and being monitored by all shift personnel, including CAD, TEXT 9-1-1, and REDDINET.

31. Gives depositions and testifies in Court as needed.

REQUIRED KNOWLEDGE & ABILITIES

Required Knowledge

Knowledge of office procedures; knowledge of emergency dispatching for both police and fire calls; knowledge of tiered dispatching; knowledge of effective training and supervisory methods; knowledge of radio-telephone operation is desirable.

Required Abilities

Work well under pressure; ability to discern emergency service calls via radio, telephone, computer/mobile application, mobile text messaging, and teletype and dispatch the appropriate resources to the call; ability to answer multiple telephone lines and provide information under stressful conditions; ability to effectively train new personnel in emergency dispatch operations and procedures.

MINIMUM QUALIFICATIONS

Experience and Education

Must have a minimum of at least two and one-half (2.5) years of continuous satisfactory service as a Public Safety Dispatcher in a County Sheriff or Municipal Police/Fire Communications Center. High school diploma or GED. College coursework in communications or another related field is desirable.

Skills

Keyboarding at 40 wpm.

Physical Requirements

This position requires extensive and repetitive physical activity involving the arms, wrists, and hands, including writing and using a keyboard. It also requires physical abilities associated with the ability to read, write and communicate in a work environment requiring no extraordinary physical strength or other special physical qualifications.

SUPPLEMENTAL INFORMATION

Working Conditions

Must be able to work 12-hour shifts; different days, including nights, weekends, holidays, and extended hours. Once qualified to work independently, will be assigned to rotating shifts (3-12 plan). On occasion, may be required to work over the work week norm in compliance with the Department's mandatory holdover and call back policies. This position requires extensive and repetitive physical activity involving the arms, wrists, and hands, including writing and using a keyboard. Incumbents must be able to sit for extended periods of time. This position also requires physical abilities associated with the ability to read, write, and communicate in a work environment.

Equal Opportunity Employer

The City of West Covina is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodation to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

**CITY OF WEST COVINA
SALARY SCHEDULE**

Effective March 9, 2019

MONTHLY PAY SCHEDULE

POSITION	GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Public Safety Dispatcher	NS001	\$4,352	\$4,569	\$4,798	\$5,038	\$5,289
Senior Communications Op.	NS002	\$4,874	\$5,118	\$5,374	\$5,642	\$5,923



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: **CODE AMENDMENT NO. 18-02**
ACCESSORY DWELLING UNITS
GENERAL AND STATUTORY EXEMPTION

RECOMMENDATION:

It is recommended that the City Council introduce, waive further and give first reading of the following ordinance:

ORDINANCE NO. 2449 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING DIVISION 11 OF ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND SETBACK AND LOCATION RELATED ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

BACKGROUND:

On June 5, 2018, the City Council held a public hearing to consider Code Amendment No. 17-03 to revise the standards for Accessory Dwelling Units (ADUs). At that meeting, the City Council approved the proposed code amendment but requested that a new code amendment be initiated to consider the ADU development standards for minimum lot size and for rear yard setbacks. On June 19, 2018, the City Council adopted Resolution No. 2018-86 initiating Code Amendment No. 18-02.

The City Council directed notification to those who had been notified on the previous ADU code amendment. Additional individuals have since requested notification. Therefore, notices were mailed to ten individuals. A public hearing notice was also published in the newspaper on Thursday, January 24, 2019.

The Planning Commission held study sessions on August 28 and September 11, 2018. At those study sessions, the Planning Commission reviewed three potential amendments to the Code; minimum lot size, rear setback and site location. The Planning Commission held a public hearing on October 9, 2018 and recommended retaining the current minimum lot size and rear setback, as well as separating the rear side yard and site location standards of detached and attached ADUs.

The City Council held a public hearing on November 20, 2018 at which time the Council voted 3-2 (Spence and Wu) to approve the Planning Commission recommendation. A second reading on the ordinance was held at the December 18, 2018 City Council meeting, at which time the Council directed staff to schedule another public hearing and prepare a revised ordinance based on the following:

1. Remove the required minimum lot size.

2. Revise the rear setback to be consistent with other additions for single family houses (generally allowing a 5-foot setback), and
3. Establish a maximum floor area size to parallel state law (for attached ADUs, the lesser of 50 percent of the size of the main house or 1,200 square feet; for detached ADUs 1,200 square feet).

DISCUSSION:

Based on the direction provided by the City Council, staff has prepared an ordinance to address the three issues discussed as well as some clarification.

Minimum Lot Size

Code Amendment No. 17-03 revised the City standard for minimum lot size reducing the minimum lot size from a sliding scale of 12,000 to 46,000 square feet (depending on the Area District) to 12,000 square feet throughout the City for new structures designed as ADUs. Utilizing GIS software, staff was able to estimate the number of residential properties in the City and categorize them by lot size. Based on that estimate, the chart below provides the estimated percentage of lots in the City at 1,000 square foot intervals.

Lot Size	Percentage of Lots
Greater than 7,000 sf	79%
Greater than 8,000 sf	67%
Greater than 9,000 sf	43%
Greater than 10,000 sf	32%
Greater than 11,000 sf	27%
Greater than 12,000 sf	25%

This chart provides information on the percentage of lots in lot size categories from 7,000 to 12,000 square feet. It should be noted, that a large portion of the lots in Woodside Village are less than 7,000 square feet. Code Amendment No. 17-03 established the minimum lot size of 12,000 square feet, so that it is estimated that 21% of the residential properties are eligible to construct an entirely new ADU that is not within an existing structure. Staff did not research lot sizes smaller than 7,000 square feet as they comprise only 10 percent of the housing stock.

If an ADU is proposed to be constructed in a single-family residential zone entirely within an existing structure, then the new ADU can be approved notwithstanding any minimum lot size requirement.

Based on the discussion by the City Council at the December 18, 2018 meeting, the ordinance has been drafted to eliminate any minimum lot size and add that the lot must be a legally-created lot.

Rear Setback

Currently, the R-1 Zone requires a rear yard setback of 25 feet, except in Area District 1A, where a 15-foot rear setback is required. Additionally, the Code allows for an encroachment into the rear yard of 40 percent, no greater than 15 feet in height and no closer than 5 feet from the rear property line. Structures such as single-family houses, additions, and most accessory buildings (garages, workshops, sheds, etc.) can be constructed to comply with these standards.

Historically, second units have required a 25-foot rear setback. In addition, accessory habitable quarters (formerly guest houses) also require a 25-foot rear setback. The intent of this standard is to reduce privacy impacts to the neighboring properties that are adjacent to the rear yard. Most of the types of improvements allowed to encroach in the rear setback are non-habitable buildings, which generally do not have the same loss of privacy issues on an adjacent property. The current standards for accessory dwelling units require a 25-foot setback.

In summary, most types of improvements in the R-1 allow a one-story structure to be constructed as close as 5-foot

from the rear property line. Only the accessory habitable quarters, accessory dwelling units and second-stories require a 25-foot rear setback to the property line. Options considered included no changes to the rear setback, changing the ADU setback to the 5-foot rear setback as is required for other improvements, and changing the ADU setback to 15-feet.

Based on the discussion by the City Council at the December 18, 2018 meeting, the ordinance has been revised to require the same setback for accessory dwelling units that is required for single-family house additions. It should be noted that the current Code standards do not allow windows on side elevations that are closer than 10 feet to the property line. Since 10 feet is the distance currently in the Code for side yards, the proposed ordinance would also prohibit windows on rear elevations closer than 10 feet to the rear property line.

Maximum Floor Area

The allowed size of accessory dwelling units in the Municipal Code currently is 800 square feet, which was changed from 640 square feet in April of 2017 through Code Amendment No. 17-01. At that time it was noted that State documents referred to units ranging from 800 to 1,200 square feet. That document is titled "Accessory Dwelling Unit Memorandum, December 2016" and can be found at <http://www.hcd.ca.gov/policy-research/docs/2016-12-12-ADU-TA-Memo.docx.pdf>.

The relevant section in that document is titled "Can Local Governments Establish Minimum and Maximum Lot Sizes" (Page 9). The following is a citation of that section.

Yes, a local government may establish minimum and maximum unit sizes (GC Section 65852.2(c)). However, like all development standards (e.g., height, lot coverage, lot size), unit sizes should not burden the development of ADUs. For example, setting a minimum unit size that substantially increases costs or a maximum unit size that unreasonably restricts opportunities would be inconsistent with the intent of the statute. Typical maximum unit sizes range from 800 square feet to 1,200 square feet. Minimum unit size must at least allow for an efficiency unit as defined in Health and Safety Code Section 17958.1.

ADU law requires local government approval if meeting various requirements (GC Section 65852.2(a)(1)(D)), including unit size requirements. Specifically, attached ADUs shall not exceed 50 percent of the existing living area or 1,200 square feet and detached ADUs shall not exceed 1,200 square feet. A local government may choose a maximum unit size less than 1,200 square feet as long as the requirement is not burdensome on the creation of ADUs.

State law allows cities to restrict the size of attached ADUs to 50 percent of the existing house size up to 1,200 square feet. The local government can select the maximum size of ADU allowed.

Based on the discussion by the City Council at the December 18, 2018 meeting, the ordinance has been drafted to allow *attached* ADUs up to the lesser of 50 percent of the square footage of the primary dwelling or 1,200 square feet, and attached ADUs, and *detached* ADUs up to 1,200 square feet. It should be noted that the existing Code standards also limit the number of bedrooms to two in an accessory dwelling unit and no changes have been made on the proposed ordinance.

Accessory Habitable Structures

Historically, the City of West Covina has had restrictive standards for second units (now called ADUs) and very liberal standards for guest houses (now called accessory habitable quarters). That situation changed in 2015 when the City adopted the standards to comply with state law for ADUs. Prior to that time a second unit required the approval of a conditional use permit (public hearing by the Planning Commission) and a guest house was allowed by right. In 2014 and 2015 Code Amendments were adopted that begin requiring an administrative use permit (noticing required) for guest houses and ADUs became allowed uses.

Generally, in the past, ADUs were reserved for comparatively large lots while anyone could build a guest house. If the City Council determines to allow all lots in the City to have an ADU, it may be appropriate to delete accessory

habitable quarters standards from the Code, as it is much easier to build an ADU (no discretionary review, no garage required, reduced rear yard setback). If the Council determines to adopt the proposed ordinance, staff would recommend initiating a code amendment to consider eliminating the accessory habitable quarters standards.

LEGAL REVIEW:

The City Attorney's Office has reviewed the proposed ordinance as to form and content, and has concluded that it is in compliance with both State and federal law.

OPTIONS:

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

ENVIRONMENTAL IMPACT:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance cannot create any significant effect on the environment and pursuant to 15282(h), which states that "the adoption of an ordinance regarding second units in a single-family or multifamily zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code" are Statutorily Exempt from the requirements of CEQA.

Prepared by: Jeff Anderson, Community Development Director

Attachments

- Attachment No. 1 - Ordinance No. 2449
 - Attachment No. 2 - Staff Report, 11/20/18
 - Attachment No. 3 - Planning Commission Resolution No. 18-5964
 - Attachment No. 4 - Excerpt - Planning Commission Minutes, 10/9/18
 - Attachment No. 5 - Planning Commission Staff Report, 10/9/18
 - Attachment No. 6 - Excerpt - Planning Commission Minutes, 9/11/18
 - Attachment No. 7 - Planning Commission Staff Report, 9/11/18
 - Attachment No. 8 - Excerpt - Planning Commission Minutes, 8/28/18
 - Attachment No. 9 - Planning Commission Staff Report, 8/28/18
 - Attachment No. 10 - Letters from Residents
-

ORDINANCE NO. 2449

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING DIVISION 11 OF ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND SETBACK AND LOCATION RELATED ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

SECTION 1. Findings. The City Council finds as follows:

- A. This Code amendment allows ministerial approval of accessory dwelling units in the residential agricultural zone (R-A) and the single-family residential zone (R-1) where the property is developed with a single-family unit subject to development standards and specific requirements.
- B. As required by state law, under this ordinance, accessory dwelling units will not be considered as exceeding the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use consistent with the existing general plan and zoning designation for the lot.
- C. The existing residential character of the town is due, in large part, to regulations which ensure that lots are not overdeveloped.
- D. One of the best methods of ensuring that lots are not overdeveloped is to ensure that lots are of at least a minimum size before allowing additional density on the lots.
- E. The City should adopt ministerial procedures to allow for the development of accessory dwelling units in the City.
- F. On the 19th day of June 2018, the City Council initiated a code amendment to evaluate minimum lot size and rear setback standards relating to accessory dwelling units.
- G. The Planning Commission held study sessions on the 28th day of August 2018 and on the 11th day of September 2018.
- H. The Planning Commission, upon giving required notice, did on the 9th day of October, 2018, conduct a duly advertised public hearing as prescribed by law, at which time the Planning Commission adopted Resolution No. 18-5964, recommending to the City Council approval of Code Amendment No. 18-02.
- I. The City Council considered evidence presented by the Planning Commission, Planning Department, and other interested parties at a duly advertised public hearing on the 20th day of November, 2018 and on the 5th day of February, 2019.

SECTION 2. Municipal Code Amendments. The City Council hereby amends the following sections of Chapter 26 of the Municipal Code as follows:

Article XII . - SPECIAL REGULATIONS FOR UNIQUE USES

DIVISION 11. - ~~SECOND DWELLING UNITS~~ ACCESSORY DWELLING UNITS

Municipal Code Sec. 26-685.30. - Purpose.

The purpose of this division is to meet the need for new housing as declared by the state by reducing the barriers to the provision of affordable housing with the creation of accessory dwelling units on single-family lots.

Municipal Code Sec. 26-685.32. - Definitions.

Accessory dwelling unit means a dwelling unit detached from, or attached to, a primary unit on a lot zoned for single-family residence. Such units do not affect the density designation of any specific or general plan.

~~*Accessory dwelling unit lot* means a lot containing a primary unit and an accessory dwelling unit, legally established in a single family zone.~~

Owner-occupant means that person or persons, who demonstrates, to the satisfaction of the planning director, a fee-ownership interest in the subject property and, in addition thereto, resides in the existing single-family dwelling upon said property and is the applicant for an accessory dwelling unit.

Primary unit, hereafter referred to as "primary unit," means an existing or proposed to be built, dwelling unit that conforms to all regulations of this Code relating to section 26-391(a) prior to the addition of ~~a~~ **an** accessory dwelling unit.

Municipal Code Sec. 26-685.34. - Development standards.

- (a) An accessory dwelling unit may be constructed or established only on a lot containing or which will contain a lawfully constructed primary unit located in a single-family residential zone.
- (b) An accessory dwelling unit shall have adequate water supply and sewer service.
- (c) An accessory dwelling unit review shall be obtained prior to the issuance of building permits for an accessory dwelling unit.
- (d) Only the owner of the property may file an application for an accessory dwelling unit on the lot of the primary unit, and only if the owner in which he or she resides or will reside on the property.
- (e) The ministerial development standards of the R-1 zone and the area district in which the accessory dwelling unit is located shall apply (as specified in article VIII, division 2 of this chapter) unless this division specifically permits or prohibits otherwise.

- (f) An accessory dwelling unit shall include permanent provisions for living, sleeping, cooking and sanitation.
- (g) Specific development standards:
 - (1) The lot shall **have been created legally.** ~~be a lawful lot and be at least 12,000 square feet.~~
 - (2) Prior to any certificate of occupancy being issued for the accessory dwelling unit, the lot shall contain a primary unit conforming to all regulations of the single-family zone.
 - (3) An accessory dwelling unit shall comply with the minimum unit size requirements of the California Building Standards Code.
 - (4) Maximum Floor Area
 - a. A detached accessory dwelling unit shall be in a structure that is a single story with a maximum dwelling area of **one thousand two** ~~eight hundred (1,200800)~~ square feet and **be** limited to two bedrooms.
 - b. An accessory dwelling unit that is attached to the existing primary unit shall only be located on the first story and be limited to a maximum exterior expansion of fifty (50) percent of the dwelling area of the primary unit up to a maximum of **one thousand two** ~~eight hundred (1,200-800)~~ square feet **and shall be limited to two bedrooms.**
 - (5) Parking. In addition to the parking required for the primary dwelling unit (section 26-402), an accessory dwelling unit shall require one (1) accessible off-street parking space if the accessory dwelling unit will have a bedroom. Parking spaces for accessory dwelling units shall be a minimum eight (8) feet by sixteen (16) feet. Access to such parking shall be paved, not less than twelve (12) feet in width, nor wider than the garage or carport for the primary dwelling unit, except as modified in section 26-402.5. Said parking may be located in an existing driveway, in a required setback, or as a tandem design, but shall not impede access to the required parking for the primary residence. However, no parking is required for accessory dwelling units in any of the following circumstances:
 - a. Using city streets, from the accessory dwelling unit, a person would have to walk less no more than one-half a mile to a public bus stop or train station.
 - b. The accessory dwelling unit is located within an architecturally and historically significant historic district.
 - c. The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.
 - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
 - e. When there is a car share vehicle located within five hundred (500) feet of the accessory dwelling unit.
 - f. The accessory dwelling unit is solely created from existing habitable space within the primary residence.

- (6) Garages. New or replacement garages or carports opening towards a side street shall be set back a minimum of twenty-two (22) feet from the property line. If a garage is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, no setback is required for the portion of the garage which is converted. If a garage is converted to an accessory dwelling unit, the lot must still provide a garage for the single-family residence, per section 26-402.
- (7) Distance between structures. The distance between the primary unit and a detached accessory dwelling unit shall be no less than six (6) feet.

~~(8) Rear yard.~~

- ~~a. Attached accessory dwelling units may be entirely within the primary residence of or attached to the back of the primary residence and shall have a required rear yard as provided in sections 26-406 and 26-407.~~
- ~~b. Detached accessory dwelling units may only be located behind the primary residence and shall not be located within the area between the front property line and a line parallel to the back of the primary residence. Detached accessory dwelling units shall comply with rear yard requirements provided in section 26-406. For reversed corner lots where a house is facing and located fronting on a street side property line, an accessory dwelling unit shall not be located within the area between the street side property line and a line parallel to the most distant part of the house from the street side property line.~~

(8) Rear yard. Detached accessory dwelling units shall comply with rear yard requirements provided in section 26-406. Attached and detached accessory dwelling units shall have a required rear yard as provided in sections 26-406 and 26-407.

(9) Site location. A new accessory dwelling unit may be established in the R-1 or R-A zone as following.

- a. Attached accessory dwelling units may be entirely within the existing primary residence or attached to the back of the primary residence.**
- b. Detached accessory dwelling units may not be located within the area between the front property line and a line parallel to the back of the primary residence. For reversed corner lots where a house is facing and located fronting on a street side property line, an accessory dwelling unit shall not be located within the area between the street side property line and a line parallel to the most distant part of the house from the street side property line.**

(910) The entrance to an accessory dwelling unit shall be separate from the entrance to the primary unit and shall not be on the front elevation. If topography restricts access

from all side and rear elevations, the accessory dwelling unit door may be on the front elevation provided it is not prominently visible from the right-of-way.

- a. No overhead utility lines are permitted to service the accessory dwelling unit. If existing overhead utility lines are to be relocated or otherwise modified to permit construction of an accessory unit, such lines shall be converted to underground services.
 - b. The numerical street address of the lot shall remain as one (1) number with the primary unit being designated as "A" and the accessory dwelling unit being designated as "B."
 - c. Utility services to the accessory dwelling unit may remain and are encouraged through single source points except where not permitted by the utility company.
 - d. ~~Park-d~~ **Development impact** fees for the accessory dwelling unit shall be paid in accordance with section ~~1726~~-204.
- (~~10~~**11**) The architectural style of the accessory dwelling unit in design features, such as, but not limited to, materials, colors, roofing, scale, exterior treatment and details shall match the primary unit.
- (~~11~~**12**) An accessory dwelling unit shall not be allowed on a lot with an accessory habitable-quarters as allowed in section 26-391.5.
- (~~12~~**13**) A six-foot-high wall or solid fence shall be provided and maintained on the rear yard boundary of any lot containing an accessory dwelling unit. Said wall or solid fence shall ~~be in compliance~~ **comply** with this Code in relation to height and location as approved by the planning director.
- (~~13~~**14**) Windows on side **or rear** property lines. Windows on detached accessory dwelling unit are only allowed **on side or rear property lines** when the structure is located a minimum of ten (10) feet from a side **or rear** property line, **respectively**.
- (h) Conversion of Existing Permitted Floor Area. Notwithstanding any other provision of this section to the contrary, the city will approve an application for a building permit for an accessory dwelling unit if all of the following apply:
- (1) The application is to create **an accessory dwelling unit** within either the residential agricultural (RA) zone or the single-family (R1) zone one (1) accessory dwelling unit per single-family lot;
 - (2) The accessory dwelling unit is contained entirely within the existing space (i.e. within four existing walls) of a legal single-family residence or a legal accessory structure (excluding garages);

- (3) The unit has independent exterior access from the existing residence;
- (4) The side and rear setbacks are sufficient for fire safety;
- (5) All development standards in this division are met (except that the accessory dwelling unit need not comply with minimum lot size requirements, no parking need be provided for the accessory dwelling unit, the minimum distance requirements between structures does not apply, and minimum setbacks for existing lawful walls does not apply); and
- (6) The structure being converted is not subject to any applicable covenant or other limitation which prohibits the structure from being converted to a single-family unit complies with all other applicable legal requirements.
- (7) All other applicable legal requirements are met.

Municipal Code Sec. 26-685.38. - Conditions of approval for an accessory dwelling unit.

- (a) The accessory dwelling unit may be rented but shall not be sold except in conjunction with the entire lot, including the primary unit.
- (b) Chapter 7 of this Code and all applicable building codes adopted by the city which apply to additions and construction of single-family dwellings shall apply to accessory dwelling units.
- (c) Adequate water and sewer services shall be available or supplied by the applicant for an accessory dwelling unit.
- (d) The accessory dwelling unit shall not be sold separate from the primary residence, but may be rented. The accessory dwelling unit and the primary residence cannot simultaneously be used by more than one family unless the owner resides in either the accessory dwelling unit or the primary residence. A deed restriction shall be recorded to memorialize these requirements. A covenant running with the land shall be recorded by an accessory dwelling unit applicant, permitting the city to enforce these provisions at the cost of the owner. Proof of recordation shall be sent to the planning director and kept on file.
- (e) Nothing in this section is intended to authorize circumvention of section 26-673(c)(3) of the Municipal Code (relating to rooming or boarding uses).

Municipal Code Sec. 26-685.39. - Review process.

The applicant shall submit an application for an accessory dwelling unit review by the planning director for compliance with the provisions of this section. If it is determined that the application and evidence submitted show that the accessory dwelling unit complies with the requirements of this section, the application shall be approved; otherwise the application shall be denied.

SECTION 3: ENVIRONMENTAL DETERMINATION. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance cannot create any significant effect on the environment and pursuant to 15282(h), which states that "the adoption of an ordinance regarding second units in a single-family or multifamily zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code" relating to "granny" housing and "second unit ordinances" are exempt from the requirements of CEQA.

SECTION 4: INCONSISTENCIES. Any provision of the West Covina Municipal Code or appendices thereto inconsistent with the provisions of this ordinance, to the extent of such inconsistencies and or further, is hereby repealed or modified to the extent necessary to affect the provisions of this ordinance.

SECTION 5: SEVERABILITY. If any provision or clause of this ordinance or the application thereof to any person or circumstances is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications of this ordinance which can be implemented without the invalid provision, clause or application; and to this end, the provisions of this ordinance are declared to be severable.

SECTION 6: PUBLICATION. This Ordinance shall take effect and be in full force thirty (30) days from and after the passage thereof, and prior to the expiration of fifteen (15) days from its passage shall be published once in a newspaper of general circulation, printed and published in the City of West Covina or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post in the office of the City Clerk a certified copy of this Ordinance together with the names and member of the City Council voting for and against the same.

SECTION 7: COPY OF ORDINANCE TO HCD. The City Clerk shall cause a copy of this ordinance to be provided to the California Department of Housing and Community Development within 60 days of its final adoption.

PASSED, APPROVED AND ADOPTED this 5_____ day of February_____,
20199.

Lloyd Johnson, Mayor

ATTEST:

Nickolas S. Lewis, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF WEST COVINA)

I, Nickolas S. Lewis, City Clerk of the City of West Covina, do hereby certify that the foregoing Ordinance No. was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the 5_____ day of February_____, 20199 and that, thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the _____ day of _____ 20199.

AYES:

NOES:

ABSTAIN:

ABSENT:

Nickolas S. Lewis, City Clerk

APPROVED AS TO FORM:

Scott Porter, City Attorney



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: November 20, 2018

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: **CODE AMENDMENT NO. 18-02**
ACCESSORY DWELLING UNITS
GENERAL AND STATUTORY EXEMPTION

RECOMMENDATION:

The Planning Commission recommends that the City Council read the title of the ordinance and waive further reading, and introduce (i.e. "first reading") the following ordinance:

ORDINANCE NO. 2449 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING DIVISION 11 OF ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND SETBACK AND LOCATION RELATED ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

BACKGROUND:

The code amendment was initiated to consider amending the Municipal Code standards for minimum lot size and rear setback for Accessory Dwelling Units.

On June 5, 2018, the City Council held a public hearing to consider Code Amendment No. 17-03 to revise the standards for Accessory Dwelling Units (ADUs). At that meeting, the City Council approved the proposed code amendment but requested that a new code amendment be initiated to consider the ADU development standards for minimum lot size and for rear yard setbacks. On June 19, 2018, the City Council adopted Resolution No. 2018-86 initiating Code Amendment No. 18-02. The current standards (per Code Amendment No. 17-03) are provided in Attachment No. 2.

The City Council directed notification to those who had been notified on the previous ADU code amendment and two individuals have since requested notification. Therefore, notices were mailed to nine individuals. A notice was also published in the newspaper on Thursday, November 8, 2018.

The Planning Commission held study sessions on August 28 and September 11, 2018. At those study sessions, the Planning Commission reviewed three potential amendments to the Code; minimum lot size, rear setback and site location. The following information was presented to the Commission.

Staff monitored potential legislative changes from the State for this calendar year, however, there were no changes to accessory dwelling unit regulations passed by the State.

Minimum Lot Size

Code Amendment No. 17-03 revised the City standard for minimum lot size reducing the minimum lot size from a sliding scale of 12,000 to 46,000 square feet (depending on the Area District) to 12,000 square feet throughout the City. Utilizing GIS software, staff was able to estimate the number of residential properties in the City and categorize them by lot size. Based on that estimate, the chart below provides the estimated percentage of lots in the City at 1,000 square foot intervals.

Lot Size	Percentage of Lots
Greater than 7,000 sf	79%
Greater than 8,000 sf	67%
Greater than 9,000 sf	43%
Greater than 10,000 sf	32%
Greater than 11,000 sf	27%
Greater than 12,000 sf	25%

This chart provides information on the percentage of lots in lot size categories from 7,000 to 12,000 square feet. It should be noted, that a large portion of the lots in Woodside Village are less than 7,000 square feet. Code Amendment No. 17-03 established the minimum lot size of 12,000 square feet, so that it is estimated that 21% of the residential properties are eligible to construct an entirely new ADU that is not within an existing structure. Staff did not research lot sizes smaller than 7,000 square feet as they comprise only 10 percent of the housing stock. Options available for recommendation include any of the lot sizes above or recommending that no minimum lot size be established.

If an ADU is proposed to be constructed in a single-family residential zone entirely within an existing structure, then the new ADU can be approved notwithstanding any lot coverage requirement.

Rear Yard Setback

The current development standards in the R-1 Zone require a rear yard setback of 25 feet, except in Area District 1A, where a 15-foot rear setback is required. Additionally, the Code allows for an encroachment into the rear yard of 40 percent, no greater than 15 feet in height and no closer than 5 feet from the rear property line. Structures such as single-family houses, additions, and most accessory buildings (garages, workshops, sheds, etc.) can be constructed to comply with these standards.

Historically, second units have required a 25-foot rear setback. In addition, accessory habitable quarters (formerly guest houses) are also required to comply with the 25-foot rear setback. The intent of this standard is to reduce privacy impacts to the neighboring properties that are adjacent to the rear yard. Most of the types of improvements allowed to encroach in the rear setback are non-habitable buildings, which generally do not have the same loss of privacy issues on an adjacent property. The current standards for accessory dwelling units require a 25-foot setback.

In summary, most types of improvements in the R-1 allow a one-story structure to be constructed as close as 5-foot from the rear property line. Only the accessory habitable quarters, accessory dwelling units and second-stories require a 25-foot rear setback to the property line. Options considered included no changes to the rear setback, changing the ADU setback to the 5-foot rear setback as is required for other improvements, and changing the ADU setback to 15-feet.

Clarify Location Standards

The current standards combine the allowed location standards for ADUs in the “Rear Yard” section of the Code. The location standards require that detached ADUs be located behind the back of the residence, while attached ADUs can be located anywhere in the structure. Staff had recommended separating the rear yard standards and the location standards, which would serve to provide distinct information on where detached ADUs can be located, as well as where attached ADUs can be located. In addition, the Commission considered including language to require that the door to the ADU not be located on the front elevation unless there is no other alternative due to topography.

DISCUSSION:

The proposed code amendment was initiated to address minimum lot size and rear yard setbacks. Based on issues during counter discussions, staff recommended the study of site location requirements.

At the Planning Commission study session of August 28, 2018, the Commission had asked for some analysis and discussion on issues surrounding ADUs and increased development in existing neighborhoods. That discussion is provided in the September 11, 2018 staff report (Attachment No. 4) and includes discussion on persons per household, street parking, sewer service, and utility upgrades for new development.

The previous minimum lot size for ADUs was a sliding scale depending upon the Area District a property was located on, ranging from 12,000 to 46,000 square feet. The Planning Commission discussed the chart provided (shown above) that includes a potential minimum lot size and percentage of lots in the City above that lot size. At the conclusion of the review, the Planning Commission recommended that the minimum lot size remain at 12,000 square feet.

The Commissioners also discussed the rear yard setback requirement. The Code requires a 25-foot setback for ADUs. There was discussion that a larger setback does provide for privacy to surrounding properties and encourages the ADU to be closer to the primary unit. The Commission considered reducing the setback to 15 feet, but ultimately determined to recommend that the 25-foot setback be preserved.

Staff provided a background that there has been confusion on allowed site location for attached ADUs as the standards are included in the Municipal Code section under “Rear Yard”. The Commission recommended that the Municipal Code be changed to separate rear yard requirements from site location requirements.

Lastly, the draft code amendment includes editing some sections such as eliminating unused definitions and adding wording to clarify code standards.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission held a public hearing on October 9, 2018. The Commission heard testimony from three individuals, all with concerns about expanding where ADUs are allowed. The Commission discussed the comments received and noted that most of the recent changes to the ADU regulations had been driven by state regulations. The Commission also discussed the need to consider how regulations affect the City as a whole. At the conclusion of the hearing, the Commission voted 5-0 to adopt Planning Commission Resolution No. 18-5964 and recommend approval of the code amendment to the City Council. The resolution adopted by the Planning Commission includes the following;

- Retaining the minimum lot size of 12,000 square feet
- Retaining the rear yard setback of 25 feet
- Separating rear yard setback and site location standards to clarify where detached ADUs and attached ADUs may be located.

LEGAL REVIEW:

The City Attorney's Office has reviewed the proposed ordinance as to form and content, and has concluded that it is in compliance with both State and federal law.

ENVIRONMENTAL REVIEW:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance cannot create any significant effect on the environment and pursuant to 15282(h), which states that "the adoption of an ordinance regarding second units in a single-family or multifamily zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code" are Statutorily Exempt from the requirements of CEQA.

FISCAL IMPACT:

The proposed code amendment would not have any direct fiscal impact to the General Fund.

Prepared by:

Jeff Anderson, AICP
Planning Director

ATTACHMENTS:

Attachment No. 1 – Code Amendment Ordinance
Attachment No. 2 – Planning Commission Resolution No. 18-5964
Attachment No. 3 – Excerpt - Planning Commission Minutes, October 9, 2018
Attachment No. 4 – Planning Commission Staff Report, October 9, 2018
Attachment No. 5 – Excerpt - Planning Commission Minutes, September 11, 2018
Attachment No. 6 – Planning Commission Staff Report, Study Session, September 11, 2018
Attachment No. 7 – Excerpt - Planning Commission Minutes, August 28, 2018
Attachment No. 8 – Planning Commission Staff Report, Study Session, August 28, 2018
Attachment No. 9 – Letters from Residents

PLANNING COMMISSION

RESOLUTION NO. 18-5964

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WEST COVINA CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL APPROVE AN ORDINANCE AMENDING ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

Section 1. Findings. The Planning Commission finds as follows:

- A. This Code amendment allows ministerial approval of accessory dwelling units in the residential agricultural zone (R-A) and the single-family residential zone (R-1) where the property is developed with a single-family unit subject to development standards and specific requirements.
- B. As required by state law, under this ordinance, accessory dwelling units will not be considered as exceeding the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use consistent with the existing general plan and zoning designation for the lot.
- C. The existing residential character of the town is due, in large part, to regulations which ensure that lots are not overdeveloped.
- D. One of the best methods of ensuring that lots are not overdeveloped is to ensure that lots are of at least a minimum size before allowing additional density on the lots.
- E. The City should adopt ministerial procedures to allow for the development of accessory dwelling units in the City.
- F. On the 19th day of June 2018, the City Council initiated a code amendment to evaluate minimum lot size and rear setback standards relating to accessory dwelling units; and
- G. The Planning Commission held study sessions on the 28th day of August 2018 and on the 11th day of September 2018; and
- H. The Planning Commission, upon giving the required notice, did on the 9th day of October 2018, conduct a duly advertised public hearing as prescribed by law; and

Section 2. Resolution. The Planning Commission recommends that the City Council conduct a public hearing, and thereafter adopt the ordinance attached hereto as Exhibit A.

I HEREBY CERTIFY, that the foregoing Resolution was adopted by the Planning Commission of the City of West Covina, at a regular meeting held on the 9th day of October 2018, by the following vote.

AYES: Holtz, Redholtz, Heng, Castellanos, Jimenez


NOES: None

ABSTAIN: None

ABSENT: None

DATE: October 9, 2018



Jose Jimenez, Chairman
Planning Commission

Jeff Anderson, Secretary
Planning Director

EXHIBIT A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA CALIFORNIA, AMENDING ARTICLE XII OF CHAPTER 26 OF THE MUNICIPAL CODE TO AMEND ZONING REGULATIONS APPLICABLE TO ACCESSORY DWELLING UNITS

SECTION 1. Findings. The City Council finds as follows:

- A. This Code amendment allows ministerial approval of accessory dwelling units in the residential agricultural zone (R-A) and the single-family residential zone (R-1) where the property is developed with a single-family unit subject to development standards and specific requirements.
- B. As required by state law, under this ordinance, accessory dwelling units will not be considered as exceeding the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use consistent with the existing general plan and zoning designation for the lot.
- C. The existing residential character of the town is due, in large part, to regulations which ensure that lots are not overdeveloped.
- D. One of the best methods of ensuring that lots are not overdeveloped is to ensure that lots are of at least a minimum size before allowing additional density on the lots.
- E. The City should adopt ministerial procedures to allow for the development of accessory dwelling units in the City.
- F. On the 19th day of June 2018, the City Council initiated a code amendment to evaluate minimum lot size and rear setback standards relating to accessory dwelling units; and
- G. The Planning Commission held study sessions on the 28th day of August 2018 and on the 11th day of September 2018; and

SECTION 2. Municipal Code Amendments. The City Council hereby amends the following sections of Chapter 26 of the Municipal Code as follows:

EXHIBIT A

Article XII. - SPECIAL REGULATIONS FOR UNIQUE USES

DIVISION 11. - ACCESSORY DWELLING UNITS

Municipal Code Sec. 26-685.30. - Purpose.

The purpose of this division is to meet the need for new housing as declared by the state by reducing the barriers to the provision of affordable housing with the creation of accessory dwelling units on single-family lots.

Municipal Code Sec. 26-685.32. - Definitions.

Accessory dwelling unit means a dwelling unit detached from, or attached to, a primary unit on a lot zoned for single-family residence. Such units do not affect the density designation of any specific or general plan.

~~*Accessory dwelling unit lot* means a lot containing a primary unit and an accessory dwelling unit, legally established in a single-family zone.~~

Owner-occupant means that person or persons, who demonstrates, to the satisfaction of the planning director, a fee-ownership interest in the subject property and, in addition thereto, resides in the existing single-family dwelling upon said property and is the applicant for an accessory dwelling unit.

Primary unit, hereafter referred to as "primary unit," means an existing or proposed to be built, dwelling unit that conforms to all regulations of this Code relating to section 26-391(a) prior to the addition of a an accessory dwelling unit.

Municipal Code Sec. 26-685.34. - Development standards.

- (a) An accessory dwelling unit may be constructed or established only on a lot containing or which will contain a lawfully constructed primary unit located in a single-family residential zone.
- (b) An accessory dwelling unit shall have adequate water supply and sewer service.
- (c) An accessory dwelling unit review shall be obtained prior to the issuance of building permits for an accessory dwelling unit.
- (d) Only the owner of the property may file an application for an accessory dwelling unit on the lot of the primary unit, and only if the owner in which he or she resides or will reside on the property.
- (e) The ministerial development standards of the R-1 zone and the area district in which the accessory dwelling unit is located shall apply (as specified in article VIII, division 2 of this chapter) unless this division specifically permits or prohibits otherwise.

EXHIBIT A

(f) An accessory dwelling unit shall include permanent provisions for living, sleeping, cooking and sanitation.

(g) Specific development standards:

(1) The lot shall be a lawful lot and be at least 12,000 square feet.

(2) Prior to any certificate of occupancy being issued for the accessory dwelling unit, the lot shall contain a primary unit conforming to all regulations of the single-family zone.

(3) An accessory dwelling unit shall comply with the minimum unit size requirements of the California Building Standards Code.

(4) Maximum Floor Area

a. A detached accessory dwelling unit shall be in a structure that is a single story with a maximum dwelling area of eight hundred (800) square feet and limited to two bedrooms.

b. An accessory dwelling unit that is attached to the existing primary unit shall only be located on the first story and be limited to a maximum exterior expansion of fifty (50) percent of the dwelling area of the primary unit up to a maximum of eight hundred (800) square feet.

(5) Parking. In addition to the parking required for the primary dwelling unit (section 26-402), an accessory dwelling unit shall require one (1) accessible off-street parking space if the accessory dwelling unit will have a bedroom. Parking spaces for accessory dwelling units shall be a minimum eight (8) feet by sixteen (16) feet. Access to such parking shall be paved, not less than twelve (12) feet in width, nor wider than the garage or carport for the primary dwelling unit, except as modified in section 26-402.5. Said parking may be located in an existing driveway, in a required setback, or as a tandem design, but shall not impede access to the required parking for the primary residence. However, no parking is required for accessory dwelling units in any of the following circumstances:

a. Using city streets, from the accessory dwelling unit, a person would have to walk less no more than one-half a mile to a public bus stop or train station.

b. The accessory dwelling unit is located within an architecturally and historically significant historic district.

c. The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.

d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

e. When there is a car share vehicle located within five hundred (500) feet of the accessory dwelling unit.

f. The accessory dwelling unit is solely created from existing habitable space within the primary residence.

EXHIBIT A

(6) Garages. New or replacement garages or carports opening towards a side street shall be set back a minimum of twenty-two (22) feet from the property line. If a garage is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, no setback is required for the portion of the garage which is converted. If a garage is converted to an accessory dwelling unit, the lot must still provide a garage for the single-family residence, per section 26-402.

(7) Distance between structures. The distance between the primary unit and a detached accessory dwelling unit shall be no less than six (6) feet.

~~(8) Rear yard.~~

~~a. Attached accessory dwelling units may be entirely within the primary residence or attached to the back of the primary residence and shall have a required rear yard as provided in sections 26-406 and 26-407.~~

~~b. Detached accessory dwelling units may only be located behind the primary residence and shall not be located within the area between the front property line and a line parallel to the back of the primary residence. Detached accessory dwelling units shall comply with rear yard requirements provided in section 26-406. For reversed corner lots where a house is facing and located fronting on a street side property line, an accessory dwelling unit shall not be located within the area between the street side property line and a line parallel to the most distant part of the house from the street side property line.~~

(8) Rear yard. Detached accessory dwelling units shall comply with rear yard requirements provided in section 26-406. Attached accessory dwelling units shall have a required rear yard as provided in sections 26-406 and 26-407.

(9) Site location. A new accessory dwelling unit may be established in the R-1 or R-A zone as following.

a. Attached accessory dwelling units may be entirely within the existing primary residence or attached to the back of the primary residence.

b. Detached accessory dwelling units may not be located within the area between the front property line and a line parallel to the back of the primary residence. For reversed corner lots where a house is facing and located fronting on a street side property line, an accessory dwelling unit shall not be located within the area between the street side property line and a line parallel to the most distant part of the house from the street side property line.

(910) The entrance to an accessory dwelling unit shall be separate from the entrance to the primary unit and shall not be on the front elevation. If topography restricts access

EXHIBIT A

from all side and rear elevations, the accessory dwelling unit door may be on the front elevation provided it is not prominently visible from the right-of-way.

- a. No overhead utility lines are permitted to service the accessory dwelling unit. If existing overhead utility lines are to be relocated or otherwise modified to permit construction of an accessory unit, such lines shall be converted to underground services.
 - b. The numerical street address of the lot shall remain as one (1) number with the primary unit being designated as "A" and the accessory dwelling unit being designated as "B."
 - c. Utility services to the accessory dwelling unit may remain and are encouraged through single source points except where not permitted by the utility company.
 - d. Park development fees for the accessory dwelling unit shall be paid in accordance with section 26-204.
- (1011) The architectural style of the accessory dwelling unit in design features, such as, but not limited to, materials, colors, roofing, scale, exterior treatment and details shall match the primary unit.
- (1112) An accessory dwelling unit shall not be allowed on a lot with an accessory habitable-quarters as allowed in section 26-391.5.
- (1213) A six-foot-high wall or solid fence shall be provided and maintained on the rear yard boundary of any lot containing an accessory dwelling unit. Said wall or solid fence shall ~~be in compliance~~ **comply** with this Code in relation to height and location as approved by the planning director.
- (1314) Windows on side property lines. Windows on detached accessory dwelling unit are only allowed when the structure is located a minimum of ten (10) feet from a side property line.
- (h) Conversion of Existing Permitted Floor Area. Notwithstanding any other provision of this section to the contrary, the city will approve an application for a building permit for an accessory dwelling unit if all of the following apply:
- (1) The application is to create **an accessory dwelling unit** within either the residential agricultural (RA) zone or the single-family (R1) zone one (1) accessory dwelling unit per single-family lot;

EXHIBIT A

- (2) The accessory dwelling unit is contained entirely within the existing space (i.e. within four existing walls) of a legal single-family residence or a legal accessory structure (excluding garages);
- (3) The unit has independent exterior access from the existing residence;
- (4) The side and rear setbacks are sufficient for fire safety;
- (5) All development standards in this division are met (except that the accessory dwelling unit need not comply with minimum lot size requirements, no parking need be provided for the accessory dwelling unit, the minimum distance requirements between structures does not apply, and minimum setbacks for existing lawful walls does not apply); and
- (6) The structure being converted is not subject to any applicable covenant or other limitation which prohibits the structure from being converted to a single-family unit complies with all other applicable legal requirements.
- (7) All other applicable legal requirements are met.

Municipal Code Sec. 26-685.38. - Conditions of approval for an accessory dwelling unit.

- (a) The accessory dwelling unit may be rented but shall not be sold except in conjunction with the entire lot, including the primary unit.
- (b) Chapter 7 of this Code and all applicable building codes adopted by the city which apply to additions and construction of single-family dwellings shall apply to accessory dwelling units.
- (c) Adequate water and sewer services shall be available or supplied by the applicant for an accessory dwelling unit.
- (d) The accessory dwelling unit shall not be sold separate from the primary residence, but may be rented. The accessory dwelling unit and the primary residence cannot simultaneously be used by more than one family unless the owner resides in either the accessory dwelling unit or the primary residence. A deed restriction shall be recorded to memorialize these requirements. A covenant running with the land shall be recorded by an accessory dwelling unit applicant, permitting the city to enforce these provisions at the cost of the owner. Proof of recordation shall be sent to the planning director and kept on file.
- (e) Nothing in this section is intended to authorize circumvention of section 26-673(c)(3) of the Municipal Code (relating to rooming or boarding uses).

Municipal Code Sec. 26-685.39. - Review process.

EXHIBIT A

The applicant shall submit an application for an accessory dwelling unit review by the planning director for compliance with the provisions of this section. If it is determined that the application and evidence submitted show that the accessory dwelling unit complies with the requirements of this section, the application shall be approved; otherwise the application shall be denied.

SECTION 3: ENVIRONMENTAL DETERMINATION. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance cannot create any significant effect on the environment and pursuant to 15282(h), which states that "the adoption of an ordinance regarding second units in a single-family or multifamily zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code" relating to "granny" housing and "second unit ordinances" are exempt from the requirements of CEQA.

SECTION 4: INCONSISTENCIES. Any provision of the West Covina Municipal Code or appendices thereto inconsistent with the provisions of this ordinance, to the extent of such inconsistencies and or further, is hereby repealed or modified to the extent necessary to affect the provisions of this ordinance.

SECTION 5: SEVERABILITY. If any provision or clause of this ordinance or the application thereof to any person or circumstances is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications of this ordinance which can be implemented without the invalid provision, clause or application; and to this end, the provisions of this ordinance are declared to be severable.

SECTION 6: PUBLICATION. This Ordinance shall take effect and be in full force thirty (30) days from and after the passage thereof, and prior to the expiration of fifteen (15) days from its passage shall be published once in a newspaper of general circulation, printed and published in the City of West Covina or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post in the office of the City Clerk a certified copy of this Ordinance together with the names and member of the City Council voting for and against the same.

SECTION 7: COPY OF ORDINANCE TO HCD. The City Clerk shall cause a copy of this ordinance to be provided to the California Department of Housing and Community Development within 60 days of its final adoption.

EXHIBIT A

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2018.

Lloyd Johnson
Mayor

ATTEST:

Nickolas S. Lewis
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF WEST COVINA)

I, Nickolas S. Lewis, City Clerk of the City of West Covina, do hereby certify that the foregoing Ordinance No. was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the ____ day of _____, 2018. That, thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the ____ day of _____ 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

Nickolas S. Lewis
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

ATTACHMENT NO. 4

~~REBUTTAL:~~

~~Mr. Woo rebutted the testimony by the opponents by telling the Commission that the owners of the dairy simply want to serve residents by supplying products their customers are requesting. He also reminded the Commission that the owner of the dairy would still operate the location as a dairy and not convert it into a liquor store. He restated that the dairy would be limited as to the types of distilled spirits they sell because of space limitations, and the owners were only seeking to provide a convenience for their customers.~~

~~Chairman Jimenez closed the public hearing.~~

~~There was a discussion by the Commission regarding this application. During the discussion the Commission considered the number of existing licenses in the area, the history of licenses issued prior to 1990, whether the dairy is in an area considered to be an area of undue concentration and the problems with homelessness in the area.~~

~~Commissioner Holtz said he didn't feel that allowing the sales of distilled spirits at the dairy would provide a unique convenience for residents in the area due to the availability of distilled spirits at stores nearby. He also expressed his concern for the number of crimes in the area. Commissioners Castellanos, Redholtz and Chairman Jimenez concurred with Commissioner Holtz.~~

~~Motion by Holtz, seconded by Jimenez, to continue this matter to the October 23, 2018 regular meeting and direct staff to prepare a resolution of denial for this request. Motion carried 5-0.~~

3. CODE AMENDMENT NO. 18-02
GENERAL EXEMPTION AND STATUTORY EXEMPTION
APPLICANT: City of West Covina
LOCATION: Citywide

REQUEST: The proposed code amendment consists of certain amendments to the Zoning section of the West Covina Municipal Code to modify standards for Accessory Dwelling Units. The proposed code amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) and 15282(h).

Planning Director Jeff Anderson presented the staff report. During his presentation he reminded the Commission that this code amendment was initiated by the City Council. He also spoke about the discussions at the study sessions and presented the proposed code amendment that will be reviewed by the City Council.

Chairman Jimenez opened the public hearing.

PROPOSERS:

No one spoke in favor of this matter.

OPPOSERS:

Dale Duncan, Marietta Spillone and Marcel Van Lierde spoke in opposition to the code amendment. Each of the opposers expressed their opposition due to the negative impact additional dwelling units would have due to residents having to park on the street, possible infringement of the views for neighboring residents, overcrowding in residential neighborhoods due to increased density and possible loss of property values. Mr. Van Lierde asked why this code amendment was being considered.

Chairman Jimenez closed the public hearing.

There was a discussion by the Commission regarding the comments in opposition to the code amendment. During the discussion the Commission said they had amended the code to conform with new requirements adopted by the State of California, to address the housing crisis. Commissioner Redholtz said cities were required to amend their codes to comply with State requirements. Commissioner Heng added that, when the code is amended to comply with State requirements, the Commission should also consider residents' needs and how the amendments would affect the entire city. Chairman Jimenez added that amendments to the West Covina Code to comply with State requirements would enable staff to review applications more effectively. The Planning Director commented that the City Council had initiated this code amendment for the study of minimum lot size and rear setbacks.

Motion by Redholtz, seconded by Holtz, to waive further reading and adopt Resolution No. 18-5964 recommending to the City Council, approval of Code Amendment No. 18-02. Motion carried 5-0.

Chairman Jimenez said that final action on this matter will take place at a public hearing before the City Council on a date to be determined.

~~4. CODE AMENDMENT NO. 18-03~~

~~GENERAL EXEMPTION~~

~~APPLICANT: City of West Covina~~

~~LOCATION: Citywide~~

~~REQUEST: The proposed code amendment consists of potential amendments to the Downtown Plan and Code parking standards, which are part of the West Covina Municipal Code. The Downtown Plan includes the Civic Center area/Cameron Avenue, Plaza West Covina and Vincent Avenue/Glendoria Avenue. The proposed code amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3).~~

A G E N D A

ITEM NO. 3
DATE October 9, 2018

PLANNING DEPARTMENT STAFF REPORT

CODE AMENDMENT NO. 18-02

GENERAL EXEMPTION AND STATUTORY EXEMPTION

APPLICANT: City of West Covina

LOCATION: Citywide

I. SUMMARY

The code amendment was initiated to consider amending the Municipal Code standards for minimum lot size and rear setback for Accessory Dwelling Units.

II. BACKGROUND

On June 5, 2018, the City Council held a public hearing to consider Code Amendment No. 17-03 to revise the standards for Accessory Dwelling Units (ADUs). At that meeting, the City Council approved the proposed code amendment but requested that a new code amendment be initiated to consider the ADU development standards for minimum lot size and for rear yard setbacks. On June 19, 2018, the City Council adopted Resolution No. 2018-86 initiating Code Amendment No. 18-02. The current standards (per Code Amendment No. 17-03) are provided in Attachment No. 2.

The Planning Commission held study sessions on August 28 and September 11, 2018. At those study sessions, the Planning Commission reviewed three potential amendments to the Code; minimum lot size, rear setback and site location. The following information was presented to the Commission.

Minimum Lot Size

Code Amendment No. 17-03 revised the City standard for minimum lot size reducing the minimum lot size from a sliding scale of 12,000 to 46,000 square feet (depending on the Area District) to 12,000 square feet throughout the City. Utilizing GIS software, staff was able to estimate the number of residential properties in the City and categorize them by lot size. Based on that estimate, the chart below provides the estimated percentage of lots in the City at 1,000 square foot intervals.

Lot Size	Percentage of Lots
Greater than 7,000 sf	79%
Greater than 8,000 sf	67%
Greater than 9,000 sf	43%
Greater than 10,000 sf	32%
Greater than 11,000 sf	27%
Greater than 12,000 sf	25%

This chart provides information on the percentage of lots in lot size categories from 7,000 to 12,000 square feet. It should be noted, that a large portion of the lots in Woodside Village are less than 7,000 square feet. Code Amendment No. 17-03 established the minimum lot size of 12,000 square feet, so that it is estimated that 21% of the residential properties are eligible to construct an ADU. Staff did not research smaller lots sizes than 7,000 square feet as there are so few lots that are smaller than 6,000 square feet. Options available for recommendation include any of the lot sizes above or recommending that no minimum lot size be established.

Rear Yard Setback

The current development standards in the R-1 Zone require a rear yard setback of 25 feet, except in Area District 1A, where a 15-foot rear setback is required. Additionally, the Code allows for an encroachment into the rear yard of 40 percent, no greater than 15 feet in height and no closer than 5 feet from the rear property line. Structures such as single-family houses, additions, and most accessory buildings (garages, workshops, sheds, etc.) can be constructed to comply with these standards.

Historically, second units have required a 25-foot rear setback. In addition, accessory habitable quarters (formerly guest houses) are also required to comply with the 25-foot rear setback. The intent of this standard is to reduce privacy impacts to the neighboring properties that are adjacent to the rear yard. Most of the types of improvements allowed to encroach in the rear setback are non-habitable buildings, which generally do not have the same loss of privacy issues on an adjacent property. The current standards for accessory dwelling units require a 25-foot setback.

In summary, most types of improvements in the R-1 allow a one-story structure to be constructed as close as 5-foot from the rear property line. Only the accessory habitable quarters, accessory dwelling units and second-stories require a 25 feet rear setback to the property line. Options include recommending no changes to the rear setback or changing the ADU setback to the 5-foot rear setback as is required for other improvements.

Clarify Location Standards

The current standards combine the allowed location standards for ADUs in the "Rear Yard" section of the Code. The location standards require that detached ADUs be located behind the back of the residence, while attached ADUs can be located anywhere in the structure. To clarify, staff is recommending separating the rear yard standards and the location

standards, this will serve to provide distinct information on where detached ADUs can be located and where attached ADUs can be located. In addition, staff is recommending including language that the door to the ADU not be located on the front elevation unless there is no other alternative due to topography.

Noticing for the code amendment public hearing was published in the San Gabriel Valley Tribune on September 27, 2018. City Council requested noticing of property owners within the Downtown Plan area. Notices were therefore mailed to 9 interested parties owners on June 27, 2018.

III. PROJECT DESCRIPTION AND ANALYSIS

The proposed code amendment was initiated to address two development standards, including minimum lot size and rear yard setbacks and a third issue was recommended for study by staff, site location.

At the Planning Commission study session of August 28, 2018, the Commission had asked for some analysis and discussion on issues surrounding ADUs and increased development in existing neighborhoods. That discussion is provided in the September 11, 2018 staff report (Attachment No. 4) and includes discussion on persons per household, street parking, sewer service, and utility upgrades for new development.

The previous minimum lot size for ADUs was a sliding scale depending upon the Area District a property was located on, ranging from 12,000 to 46,000 square feet. The Planning Commission discussed the chart provided (shown above) that includes a potential minimum lot size and percentage of lots in the City above that lot size. At the conclusion of the review, the Planning Commission recommended that the minimum lot size remain at 12,000 square feet.

The Commissioners also discussed the rear yard setback requirement. The Code requires a 25-foot setback for ADUs. There was discussion that a larger setback does provide for privacy to surrounding properties and encourages the ADU to be closer to the primary unit. The Commission considered reducing the setback to 15 feet, but ultimately determined to recommend that the 25-foot setback be preserved.

Staff provided a background that there has been confusion on allowed site location for attached ADUs as the standards are included in the Municipal Code section under "Rear Yard". The Commission recommended that the Municipal Code be changed to separate rear yard requirements from site location requirements.

Lastly, the draft code amendment includes editing some sections such as eliminating unused definitions and adding wording to clarify code standards.

IV. CONCLUSION

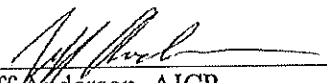
The proposed amendment has been drafted and the code text is attached to the resolution for your review (Attachment No. 1). If the Planning Commission chooses to recommend approval of the proposed code amendment, the City Council will hold a public hearing to consider adopting the proposed amendments.

V. ENVIRONMENTAL DETERMINATION

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is found to be exempt pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance cannot create any significant effect on the environment and pursuant to 15282(h), which states that "the adoption of an ordinance regarding second units in a single-family or multifamily zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code" are Statutorily Exempt from the requirements of CEQA.

VI. STAFF RECOMMENDATION

Staff recommends that the Planning Commission adopt a resolution recommending approval of Code Amendment No. 18-02 to the City Council.



Jeff Anderson, AICP
Planning Director

Attachments:

- Attachment No. 1 – Code Amendment Resolution
- Attachment No. 2 – Existing ADU Municipal Code Section
- Attachment No. 3 – Planning Commission Minutes, September 11, 2018 (Unofficial)
- Attachment No. 4 – Planning Commission Staff Report, Study Session, September 11, 2018
- Attachment No. 5 – Planning Commission Minutes, August 28, 2018
- Attachment No. 6 – Planning Commission Staff Report, Study Session, August 28, 2018
- Attachment No. 7 – Letters/Emails from the Community

ATTACHMENT NO. 6

~~Motion by Redholtz, seconded by Jimenez, to waive further reading and adopt Resolution No. 18-5963 approving Conditional Use Permit No. 18-5963. Motion carried 5-0.~~

~~Chairman Jimenez said this action is final unless appealed to the City Council within ten (10) days.~~

NON-HEARING ITEMS

4. (Continued from August 28, 2018)
STUDY SESSION – CODE AMENDMENT NO. 18-02

Accessory Dwelling Unit Revisions.

Planning Director Jeff Anderson presented the staff report. During his presentation he provided the Commission with information on minimum lot size, rear setbacks and site location regulations.

Marietta Spillone and Jim Grivich spoke against changing the Municipal Code regulating Accessory Dwelling Units. Jeri Potras submitted letters from herself and her neighbors expressing their opposition as well. The opponents expressed their concern that additional housing would cause additional cars parked on the streets, have a negative impact on sewers and infrastructure, increase the density in West Covina neighborhoods and infringe on the privacy of their neighbors. They also expressed concern that too many people will be living on properties with accessory dwelling units.

Tom Chang, Jamie Lee and Brian Tabatabai spoke in favor of changes to the Accessory Dwelling Unit code. The proponents said they were in favor of ADUs because it would allow them to care for their elderly relatives and add value to their properties. Ms. Lee also disagreed that ADUs cause more street parking in neighborhoods.

There was a lengthy discussion regarding possible options to allow ADUs to be built on smaller lots than the current regulation of 12,000 square feet. The options discussed were reducing the minimum lot size and reducing the rear yard setback. In addition, the Commission considered locations standards for ADUs. During the discussion the Commission also discussed the differences between ADUs that are 800 square feet and 1200 square feet and how to deal with an increase of on-street parking if there is not sufficient space for all residents to park their cars on the property. Commissioner Heng expressed her support of recommending that the rear setback be reduced to 15 feet. The Commission also considered the placement of attached ADUs and detached ADUs. Staff recommended that attached ADUs be allowed anywhere on the property, but to not allow two entrances on the front elevation. Detached ADUs would be required to be to the rear of the main house.

At the end of the discussion Chairman Jimenez suggested that the Commission decide upon the recommendations they will make to the City Council by making a motion and voting on each matter discussed.

Motion by Holtz, seconded by Redholtz, to recommend to the City Council that the minimum lot size for ADUs remain the same. Motion carried 4-1, (Castellanos opposed.)

Motion by Heng, seconded by Castellanos, to recommend to the City Council that the minimum rear yard setback for ADUs be 15 feet. Motion failed 2-3, (Jimenez, Holtz, Redholtz opposed.)

Motion by Holtz, seconded by Redholtz, to recommend to the City Council that the minimum rear yard setback for ADUs remain the same. Motion carried 5-0.

Motion by Jimenez, seconded by Holtz, to allow attached ADUs to be placed anywhere within the building. Motion carried 5-0.

Staff was directed to draft an ordinance for consideration by the Planning Commission at a public hearing.

~~Chairman Jimenez called a recess at 9:15 p.m.~~

~~Chairman Jimenez reconvened the meeting at 9:25 p.m.~~

~~5. STUDY SESSION CODE AMENDMENT NO. 18-03~~

~~Downtown Parking Plan~~

~~Planning Director Jeff Anderson presented the staff report. During his presentation he told the Commission that the City Council had referred the Downtown Parking Plan back to them for further study. He also spoke about urban development being closer together making it possible for residents to park in one spot and visit multiple businesses during the same trip. In addition, he told the Commission that requiring more parking would add more expense to developments in the Downtown area. There was a short discussion by the Commission regarding ways to reduce the parking requirement for the Downtown area. Mr. Anderson then reviewed the various options as follows:~~

~~Option 1 would require 80% of total parking per the Zoning Code, based on the Common Facilities parking standard that allows retail shopping centers to request to reduce the required parking by 20% through a conditional use permit.~~

~~Option 2 would require 75% of the total parking per the Zoning Code, based on the joint use parking standard in the Municipal Code that allows primary nighttime uses~~

ATTACHMENT NO. 7

City of West Covina

Memorandum A G E N D A

TO: Planning Commission

ITEM NO. 4

FROM: Planning Department

DATE: September 11, 2018

SUBJECT: STUDY SESSION

CODE AMENDMENT NO. 18-02 Accessory Dwelling Unit Revisions

I. DESCRIPTION

On June 5, 2018, the City Council held a public hearing to consider Code Amendment No. 17-03 to consider revisions to standards for Accessory Dwelling Units (ADUs). (See Attachment No. 2) At that meeting, the City Council approved the proposed code amendment but requested that a new code amendment be initiated to consider the ADU development standards for minimum lot size and for rear yard setbacks. On June 19, 2018, the City Council adopted Resolution No. 2018-86 initiating Code Amendment No. 18-02.

This study session was continued from the meeting of August 28, 2018 to allow for all Commissioners to be included in the discussion.

II. BACKGROUND

The City Council adopted Code Amendment No. 17-01 on April 18, 2017 and Code Amendment No. 17-03 on June 5, 2018. The State of California passed two bills in 2017 regarding accessory dwelling units including Senate Bill 229 (Wieckowski) and Assembly Bill 494 (Bloom). These bills, effective January 1, 2018, clarify and modify various provisions of the law to promote the development of ADUs. The previous two code amendments were completed to address the various bills passed over the last two years and were reviewed by the City Attorney's office. Staff is aware that additional bills may pass this calendar year that the City may need to address.

Code Amendment 17-03 amended the Municipal Code in the following manner.

1. Minimum Lot Size. Changed from 12,000 to 46,000 square foot lots (depending on Area District) to 12,000 square feet.
2. Required parking based on number of bedrooms. Require zero or one space in compliance with state law.
3. Required parking for attached ADUs. When a new house is constructed that includes an ADU no parking would be required for the ADU, in compliance with state law.
4. Conditions of Approval. Require the same conditions of approval to apply to all types of ADU's including conversions of existing legal buildings.

5. Accessory Buildings. Remove ADUs from the list for administrative use permit (AUP) when accessory buildings are greater than 1,000 square feet. ADU's would be exempt from the 1,000-square foot accessory building calculation as they cannot require a discretionary review per state law.
6. Detached Structure Conversions. Require a covenant to be filed stating that the proposed structure will not be converted to an ADU for new accessory structures with four walls.
7. Windows on Side Property Lines. Require the 10-foot window distance for detached units for windows only.
8. Terminology modifications. The term "guest house" changed to accessory habitable quarters, and the term "second unit" changed to "accessory dwelling unit".
9. Separation Requirement. Require a separation of 6-feet between the accessory dwelling unit and the primary unit.

The existing standards (per Code Amendment No. 17-03) are provided in Attachment No. 1.

III. ANALYSIS

The proposed code amendment was initiated to address two development standards, including minimum lot size and rear yard setbacks. The following is a discussion of each issue.

Minimum Lot Size

Code Amendment No. 17-03 revised the City standard for minimum lot size reducing the minimum lot size from a sliding scale of 12,000 to 46,000 square feet (depending on the Area District) to 12,000 square feet throughout the City. Utilizing GIS software, staff was able to estimate the number of residential properties in the City and categorize them by lot size. Based on that estimate, the chart below provides the estimated percentage of lots in the City at 1,000 square foot intervals.

Lot Size	Percentage of Lots
Greater than 7,000 sf	79%
Greater than 8,000 sf	67%
Greater than 9,000 sf	43%
Greater than 10,000 sf	32%
Greater than 11,000 sf	27%
Greater than 12,000 sf	25%

This chart provides information on the percentage of lots in lot size categories from 7,000 to 12,000 square feet. It should be noted, that a large portion of the lots in Woodside Village are less than 7,000 square feet. Code Amendment No. 17-03 established the minimum lot size of 12,000 square feet, so that it is estimated that 21% of the residential properties are eligible to construct an ADU. Staff did not research smaller lots sizes than

7,000 square feet as there are so few lots that are smaller than 6,000 square feet. Options available for recommendation include any of the lot sizes above or recommending that no minimum lot size be established.

Rear Yard Setback

The current development standards in the R-1 Zone require a rear yard setback of 25 feet, except in Area District 1A, where a 15-foot rear setback is required. Additionally, the Code allows for an encroachment into the rear yard of 40 percent, no greater than 15 feet in height and no closer than 5 feet from the rear property line. Structures such as single-family houses, additions, and most accessory buildings (garages, workshops, sheds, etc) can be constructed to comply with these standards.

Historically, second units have required a 25-foot rear setback. In addition, accessory habitable quarters (formerly guest houses) are also required to comply with the 25-foot rear setback. The intent of this standard is to reduce privacy impacts to the neighboring properties that are adjacent to the rear yard. Most of the types of improvements allowed to encroach in the rear setback are non-habitable buildings, which generally do not have the same loss of privacy issues on an adjacent property. The current standards for accessory dwelling units require a 25-foot setback.

In summary, most types of improvements in the R-1 allow a one-story structure to be constructed as close as 5-foot from the rear property line. Only the accessory habitable quarters, accessory dwelling units and second-stories require a 25 foot rear setback to the property line. This code amendment is being processed for accessory dwelling units. Options include recommending no changes to the rear setback or changing the ADU setback to the 5-foot rear setback as is required for other improvements.

Clarify Location Standards

The current standards combine the allowed location standards for ADUs in the Rear Yard section of the Code. The location standards require that detached ADUs be located behind the back of the residence, while attached ADUs can be located anywhere in the structure. To clarify, staff is recommending separating the rear yard standards and the location standards. In addition, staff is recommending including language that the door to the ADU not be located on the front elevation unless there is no other alternative due to topography.

Issues Discussed at the Previous Study Session

There was some discussion at the previous meeting on reasons why minimum lot sizes might be considered appropriate. Code standards allow for larger house sizes on larger lots than on smaller lots. For demographic calculations, the number of residents is generally based on the number of units and persons per household. In West Covina that statistic is 3.34 persons per unit for the 2010 Census. It is generally assumed then that a lot with one unit would average 3.34 persons per unit while a lot with two units would

average 6.68 persons on the lot. While that is an average and will not always hold true, it is logical that a lot with two units will have more individuals living on the lot than a lot with one unit.

In terms of the effect on utilities, it is logical to assume that there may be impacts by doubling the number of units on a lot. The main issue for City standards is parking. Some neighborhoods, such as those near older multi-family units, are already experiencing street parking issues. Single-family houses are generally required to provide a two-car garage, and based on the required setback, generally provide at least two parking spaces in the driveway. Many houses provide excess spaces in the garage or the driveway. Based on recent state law requirements, the City is only allowed to require parking for an ADU if the property is more than a half mile from a bus stop, which is most of the properties in the City. Even in cases where it is more than half mile, the City is only allowed to require one open parking space. In neighborhoods where there is already a significant amount of street parking, even the addition of a few ADUs could cause significant parking issues for those residents. In neighborhoods with smaller lot sizes, there is typically a narrower street frontage on properties reducing the street parking available per property. While neighborhoods in the City vary, marginal increases in parking demand in some neighborhoods may lead to lack of available parking and push parking issues onto neighboring streets.

It is not possible for the City to estimate issues that might arise from utilities like gas and electric as we do not have the information necessary. Water is another utility that the City does not have much information regarding. To date, the water companies within the City have all expressed that they have sufficient water to provide to new developments.

Sewer service to properties is provided via a main line that mostly runs down the center of streets. These main lines have a variety of sizes. When a new development is proposed, the Engineering Division will require a sewer study to determine if the main line is near capacity. If it is, a condition of approval would be placed on that project to increase the sewer line size. Conditions of approval are allowed where there is a discretionary review process. In the case of ADUs, state law prohibits requiring a discretionary review process. If, over several years or decades, many ADUs are constructed on one street, there could be impacts to the sewer system.

This discussion is not meant to be a thorough analysis of these issues. The purpose is to show that there may be appropriate reasons for a city to establish a minimum lot size, even if that city decides that the majority of the properties should have the capability of constructing a detached ADU.

IV. CONCLUSION

The City Council discussed reducing the minimum lot size at the hearing, however, since there had been no evaluation of a range of minimum lot sizes, a new code amendment was initiate. The Council had expressed some concerns about the minimum lot size of 12,000 square feet and how many residents in the City would be allowed to construct an

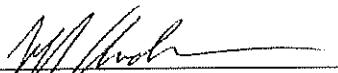
ADU, as well as the required setback being a different standard than most other types of improvements.

The purpose of the study session is to provide the Planning Commission with discussion points. After discussion on the issues, the Commission may ask for additional information to be provided which may necessitate another study session. Once the Planning Commission agrees on the standards to be implemented, the next step will be to schedule a public hearing before the Planning Commission. Subsequent to Planning Commission review, a public hearing will be scheduled for the City Council to determine if changes to the code are appropriate.

V. RECOMMENDATION

Staff recommends that the Planning Commission review the information in the staff report and attachments and provide appropriate direction to staff regarding standards to be included in the code amendment.

PREPARED BY:



Jeff Anderson, AICP
Planning Director

Attachments:

Attachment No. 1 - Existing ADU Municipal Code Section

Attachment No. 2 – Excerpt of City Council Minutes, June 19, 2018

ATTACHMENT NO. 8

~~There was a discussion by the Commission regarding this request. Commissioner Redholtz said this request has been before them many times and he feels it's pro-business. He further stated that the business climate has changed since the 1970s and service stations are no longer in the business of automotive repairs, so they have integrated convenience stores to increase their revenues. Commissioner Castellanos concurred with Vice Chairman Redholtz that the proposed code amendment would support small businesses and expressed his support of the initiation so that the Commission can study this matter. Commissioner Heng said she was concerned with the sales of alcohol at service stations and the safety of residents.~~

~~Commissioner Holtz said he would agree to study the sales of beer and wine at service stations but would be opposed to the sales of all other distilled spirits at service stations. Commissioners Castellanos and Redholtz agreed that the sales of beer and wine only would be studied.~~

~~Motion by Redholtz, seconded by Castellanos, to waive further reading and adopt Resolution No. 18-5961, initiating Code Amendment No. 18-04 for the sales of Beer and Wine at Service Stations. Motion carried 4-0 (Jimenez, absent, excused.)~~

4. STUDY SESSION – CODE AMENDMENT NO. 18-02 ACCESSORY DWELLING UNIT REVISIONS

Planning Director Jeff Anderson presented the staff report. During his presentation he told the Commission that other amendments will potentially need to be considered in the future to conform to State regulations under consideration addressing accessory dwelling units.

Jeri Potras submitted a letter to the Commission expressing her opinion on the code amendment. Jamie Lee addressed the Commission and submitted letters from her neighbors regarding their support of amending the code to make it easier to add an accessory dwelling unit.

There was a discussion by the Commission regarding amendments to minimum lot size for ADUs, rear yard setbacks and clarification of location standards for ADUs. During the discussion, Commissioner Castellanos expressed his desire to discuss amendments and to maintain the integrity of neighborhoods. Commissioner Heng said she would like to amend the code to allow older family members to stay in their homes and have younger family members living on the property to take care of them. Commissioners Holtz and Redholtz both expressed support of the current code and their desire to have some restrictions where it was possible. Since Chairman Jimenez was absent, it was suggested that the consideration of this matter be continued so the entire Commission should be present for this discussion.

Motion by Castellanos, seconded by Holtz, to continue the study session for Code Amendment No. 18-02, Accessory Dwelling Units, to the September 11, 2018

Motion by Castellanos, seconded by Holtz, to continue the study session for Code Amendment No. 18-02, Accessory Dwelling Units, to the September 11, 2018 regular Planning Commission meeting. Motion carried 4-0 (Jimenez, absent, excused.)

~~CONTINUATION OF ORAL COMMUNICATIONS~~

~~None~~

~~COMMISSION REPORTS/COMMENTS AND MISCELLANEOUS ITEMS~~

~~Vice Chairman Redholtz spoke on the following matters:~~

~~Vehicle storage and signs on the vacant site of the former Mazda dealership.~~

~~The status of the Chick-Fil-A application.~~

~~A sign advertising Big O Tires returning to 501 Vincent.~~

~~6. PLANNING DIRECTOR'S REPORT:~~

~~a. FORTHCOMING – September 11, 2018~~

~~b. PROJECT STATUS REPORT – August 2018~~

~~7. CITY COUNCIL ACTION:~~

~~None~~

~~ADJOURNMENT~~

~~Vice Chairman Redholtz adjourned the meeting at 9:34 p.m.~~

~~Respectfully submitted:~~

~~Lydia de Zara
Senior Administrative Assistant~~

ADOPTED AS SUBMITTED ON: September 11, 2018

City of West Covina

Memorandum
A G E N D A

TO: Planning Commission

ITEM NO. 4

FROM: Planning Department

DATE: August 28, 2018

SUBJECT: STUDY SESSION

CODE AMENDMENT NO. 18-02 Accessory Dwelling Unit Revisions

I. DESCRIPTION

On June 5, 2018, the City Council held a public hearing to consider Code Amendment No. 17-03 to consider revisions to standards for Accessory Dwelling Units (ADUs). (See Attachment No. 2) At that meeting, the City Council approved the proposed code amendment but requested that a new code amendment be initiated to consider the ADU development standards for minimum lot size and for rear yard setbacks. On June 19, 2018, the City Council adopted Resolution No. 2018-86 initiating Code Amendment No. 18-02.

II. BACKGROUND

The City Council adopted Code Amendment No. 17-01 on April 18, 2017 and Code Amendment No. 17-03 on June 5, 2018. The State of California passed two bills in 2017 regarding accessory dwelling units including Senate Bill 229 (Wieckowski) and Assembly Bill 494 (Bloom). These bills, effective January 1, 2018, clarify and modify various provisions of the law to promote the development of ADUs. The previous two code amendments were completed to address the various bills passed over the last two years and were reviewed by the City Attorney's office. Staff is aware that additional bills may pass this calendar year that the City may need to address.

Code Amendment 17-03 amended the Municipal Code in the following manner.

1. Minimum Lot Size. Changed from 12,000 to 46,000 square foot lots (depending on Area District) to 12,000 square feet.
2. Required parking based on number of bedrooms. Require zero or one space in compliance with state law.
3. Required parking for attached ADUs. When a new house is constructed that includes an ADU no parking would be required for the ADU, in compliance with state law.
4. Conditions of Approval. Require the same conditions of approval to apply to all types of ADU's including conversions of existing legal buildings.
5. Accessory Buildings. Remove ADUs from the list for administrative use permit (AUP) when accessory buildings are greater than 1,000 square feet. ADU's

- would be exempt from the 1,000-square foot accessory building calculation as they cannot require a discretionary review per state law.
6. Detached Structure Conversions. Require a covenant to be filed stating that the proposed structure will not be converted to an ADU for new accessory structures with four walls.
 7. Windows on Side Property Lines. Require the 10-foot window distance for detached units for windows only.
 8. Terminology modifications. The term "guest house" changed to accessory habitable quarters, and the term "second unit" changed to "accessory dwelling unit".
 9. Separation Requirement. Require a separation of 6-feet between the accessory dwelling unit and the primary unit.

The existing standards (per Code Amendment No. 17-03) are provided in Attachment No. 1.

III. ANALYSIS

The proposed code amendment was initiated to address two development standards, including minimum lot size and rear yard setbacks. The following is a discussion of each issue.

Minimum Lot Size

Code Amendment No. 17-03 revised the City standard for minimum lot size reducing the minimum lot size from a sliding scale of 12,000 to 46,000 square feet (depending on the Area District) to 12,000 square feet throughout the City. Utilizing GIS software, staff was able to estimate the number of residential properties in the City and categorize them by lot size. Based on that estimate, the chart below provides the estimated percentage of lots in the City at 1,000 square foot intervals.

Lot Size	Percentage of Lots
Greater than 7,000 sf	79%
Greater than 8,000 sf	67%
Greater than 9,000 sf	43%
Greater than 10,000 sf	32%
Greater than 11,000 sf	27%
Greater than 12,000 sf	25%

This chart provides information on the percentage of lots in lot size categories from 7,000 to 12,000 square feet. It should be noted, that a large portion of the lots in Woodside Village are less than 7,000 square feet. Code Amendment No. 17-03 established the minimum lot size of 12,000 square feet, so that it is estimated that 21% of the residential properties are eligible to construct an ADU. Staff did not research smaller lots sizes than 7,000 square feet as there are so few lots that are smaller than 6,000 square feet. Options

available for recommendation include any of the lot sizes above or recommending that no minimum lot size be established.

Rear Yard Setback

The current development standards in the R-1 Zone require a rear yard setback of 25 feet, except in Area District 1A, where a 15-foot rear setback is required. Additionally, the Code allows for an encroachment into the rear yard of 40 percent, no greater than 15 feet in height and no closer than 5 feet from the rear property line. Structures such as single-family houses, additions, and most accessory buildings (garages, workshops, sheds, etc) can be constructed to comply with these standards.

Historically, second units have required a 25-foot rear setback. In addition, accessory habitable quarters (formerly guest houses) are also required to comply with the 25-foot rear setback. The intent of this standard is to reduce privacy impacts to the neighboring properties that are adjacent to the rear yard. Most of the types of improvements allowed to encroach in the rear setback are non-habitable buildings, which generally do not have the same loss of privacy issues on an adjacent property. The current standards for accessory dwelling units require a 25-foot setback.

In summary, most types of improvements in the R-1 allow a one-story structure to be constructed as close as 5-foot from the rear property line. Only the accessory habitable quarters, accessory dwelling units and second-stories require a 25 feet rear setback to the property line. This code amendment is being processed for accessory dwelling units. Options include recommending no changes to the rear setback or changing the ADU setback to the 5-foot rear setback as is required for other improvements.

Clarify Location Standards

The current standards combine the allowed location standards for ADUs in the Rear Yard section of the Code. The location standards require that detached ADUs be located behind the back of the residence, while attached ADUs can be located anywhere in the structure. To clarify, staff is recommending separating the rear yard standards and the location standards. In addition, staff is recommending including language that the door to the ADU not be located on the front elevation unless there is no other alternative due to topography.

IV. CONCLUSION

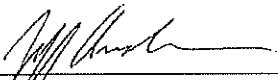
The City Council discussed reducing the minimum lot size at the hearing, however, since there had been no evaluation of a range of minimum lot sizes, a new code amendment was initiate. The Council had expressed some concerns about the minimum lot size of 12,000 square feet and how many residents in the City would be allowed to construct an ADU, as well as the required setback being a different standard than most other types of improvements.

The purpose of the study session is to provide the Planning Commission with discussion points. After discussion on the issues, the Commission may ask for additional information to be provided which may necessitate another study session. Once the Planning Commission agrees on the standards to be implemented, the next step will be to schedule a public hearing before the Planning Commission. Subsequent to Planning Commission review, a public hearing will be scheduled for the City Council to determine if changes to the code are appropriate.

V. RECOMMENDATION

Staff recommends that the Planning Commission review the information in the staff report and attachments and provide appropriate direction to staff regarding standards to be included in the code amendment.

PREPARED BY:



Jeff Anderson, AICP
Planning Director

Attachments:

Attachment No. 1 - Existing ADU Municipal Code Section

Attachment No. 2 – Excerpt of City Council Minutes, June 19, 2018

Jeff Anderson

From: JKENNETH LUND <JKENLUND@msn.com>
Sent: Sunday, January 27, 2019 3:59 PM
To: Lloyd Johnson
Cc: Tony Wu; lettylopez@westcovina.org; Dario4WC@gmail.com; Jeff Anderson
Subject: ACCESSORY DWELLING UNITS

Dear Mayor Johnson:

I have lived in West Covina for a number of years, 44+ to be exact, and am active in Rotary, the West Covina Historical Society and other community organizations. I understand that our City Council is now proposing to make changes to the codes that govern the building of Accessory Dwelling Units (ADU's), allowing them to be both substantially larger and located very much closer to the property lines.

I very much believe that allowing these changes to take place is much to the detriment of our City and to the homeowners who would be faced by added-on dwelling(s) in adjacent properties. No, we are not a rural community with lots of ground between neighbors, nor are we an intentionally, tightly packed urban one. We didn't choose West Covina so that we could live in a private residence next to neighbors who have jam-packed their property with multiple dwellings that ruin our sense of privacy and pride in where we live.

My wife and I are opposed to making any changes in our City's ordinances that control the building or location of ADU's in West Covina.

Respectfully,
J. Kenneth Lund
1300 Hollencrest Drive
West Covina, CA 91791
626-918-0670

1-18-2019

Robert and Linda Gomez
1256 S. Montezuma Way
West Covina, CA 91791

Dear Mayor Johnson:

We live at the above address and have been **at this** residents of West Covina for **14** years. **We are** aware that the City Council is currently proposing to make changes to the ordinance governing ADUs despite conflicting recommendations from its Planning Commission, and in advance of final regulations issued by the State of California.

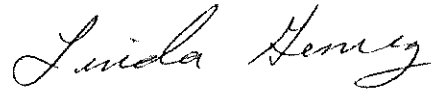
I/we am/are opposed to any changes to the City's existing ordinance governing ADUs.

Sincerely,



Robert Gomez

Sincerely,



Linda Gomez

cc: Mayor Pro-Tem Tony Wu: tony.wu@westcovina.org
Councilwoman Letty Lopez-Viado: lettylopez@westcovina.org
Councilman Dario Castellanos: Dario4WC@gmail.com
Jeff Anderson, Planning Director: janderson@westcovina.org

West Covina Planning Commission room 208

Jeff Anderson

1444 West Garvey Ave. South

West Covina CA 91790

(626) 939-8422 office

Michael Randazzo

January 9, 2019

Honorable Mayor Lloyd Johnson
City of West Covina
1444 W. Garvey Avenue South

Dear Mayor Johnson:

Irene and I have lived at the above address for over forty years. Recently we have learned the City Council is proposing to make changes to the ordinance governing ADUs despite conflicting recommendations from it's Planning Commission, and in advance of final regulations issued by the State of California.

We are opposed to any changes to the City's existing ordinance governing ADUs.

Sincerely,

Michael Randazzo

Irene Randazzo

cc:Lloyd.Johnson@westcovina.org
tony.wu@westcovina.org
Lopez-Vlado@westcovina.org
DCastellanos@westcovina.org
Jeff.anderson@westcovina.org



October 4, 2018

Mr. Jose Jimenez
West Covina Planning Commission, Room 208
1444 West Garvey Ave, South
West Covina, CA 91790
Fax: (626) 939-8667

Dear Mr. Jimenez:

My name is Martha Flores. I have resided at 1102 So. Shasta Street in West Covina, California for 30 years. This letter is to address the issue of ADUs (hereinafter "dwelling").

In 2014, my neighbors on Fircroft put up the dwelling (pictures attached). The dwelling is 5 feet from my back wall!

My husband and I were never informed by anyone at West Covina City Planning Department that our neighbors were planning, and had been approved, to build a dwelling behind their house. Had anyone from City Planning contacted us we would have informed them that our lot on Shasta sits much lower than the neighbor's lot on Fircroft. As a result, the dwelling is much higher than our wall. City Planning did not consider the impact it would have on us and my neighbors on the north and south side on Shasta. Although the dwelling may look great from our neighbor's perspective, it does not look great from our perspective. We have a beautiful back yard shadowed by an eyesore. We open our sliding door from our family room and that's what we see. There is hardly any room behind the dwelling for landscaping to cover the back of the dwelling facing our yard. Moreover, I am concerned that any landscaping between the dwelling and my back wall could eventually disturb the foundation, particularly close to our pool.

I know this is old news and there is nothing that can be done about it now. Unfortunately, once a dwelling goes up it doesn't come down. We are stuck with this view, but we would like to prevent this from happening to anyone else.

I couldn't attend the September 11, 2018 Planning Commission meeting, but I watched the video. Commissioner Sheena Heng addresses a property on Inspiration Point on how extending towards the back and any future additions would block the neighbors view and would impact the neighbors' yard. She mentions how the majority of home owners bought their homes for the view. Frankly, it is a slap in our face. So because we live at the bottom of the hill and don't have a view of DTLA we don't matter? Our homes may not be over a million dollars, but they are easily half a million. Ms. Heng also mentioned the re-sale value and how one neighbor had to sell their house because of the obstructed view. The dwelling on Fircroft will most likely affect the future sale of our home. We used to be able to see trees and mountains. Who wants a view of a dwelling?

Mr. Jose Jimenez
West Covina Planning Commission, Room 208
September 26, 2018

Ms. Lee mentions "property value is dependent on the aesthetics of my property and converting my home to a duplex by attaching an ADU that's not the way that we are going to preserve the charm of West Covina. Realtors can tell you a detach guest house holds more property value than a duplex." Adding an extra bedroom with a bathroom also adds more property value. If the setback is changed from 25 feet to 5 feet a homeowner could potentially be staring at 3 dwelling walls.

After my father passed away, 20 years ago, my mother came to live with us. I have a 3-bedroom home. My boys were 8 and 10 at that time, each with their own bedroom but without hesitation shared a bedroom so my mother could have the third bedroom. We could have built a dwelling for her when she first came to stay with us. She was still independent and able to move around.

Mr. Tabatabai (sp?) says that in his culture it is shameful to put parents in a home and Ms. Lee is concerned about her grandmother being elderly, but either one has any issue with moving them into a dwelling away from the main house. What happens when the parent/grandparent can no longer take care of themselves, or dies? Who is going to live in the dwelling?

My mom still lives with us. She is 97 years old and yes in our culture it is frowned upon to put a parent in a home, but sometimes there is no other choice for their own safety and well-being. It is not shameful if they are going to be provided with 24/7 care. Fortunately, I have a wonderful caregiver who comes and stays with her while my husband and I are at work, but once we get home it is up to us to care for her. She is where we can keep an eye on her, not across our yard.

It is a well-known fact that most dwelling are used as rentals. Homeowners started by renting bedrooms in their home to supplement their income. The idea of adding a dwelling means additional income.

Ms. Lee not only wants the setback changed but also wants the current 800 sq. ft. changed to 1200 sq. ft. That is not the size of a dwelling, it is the size of a single family home!

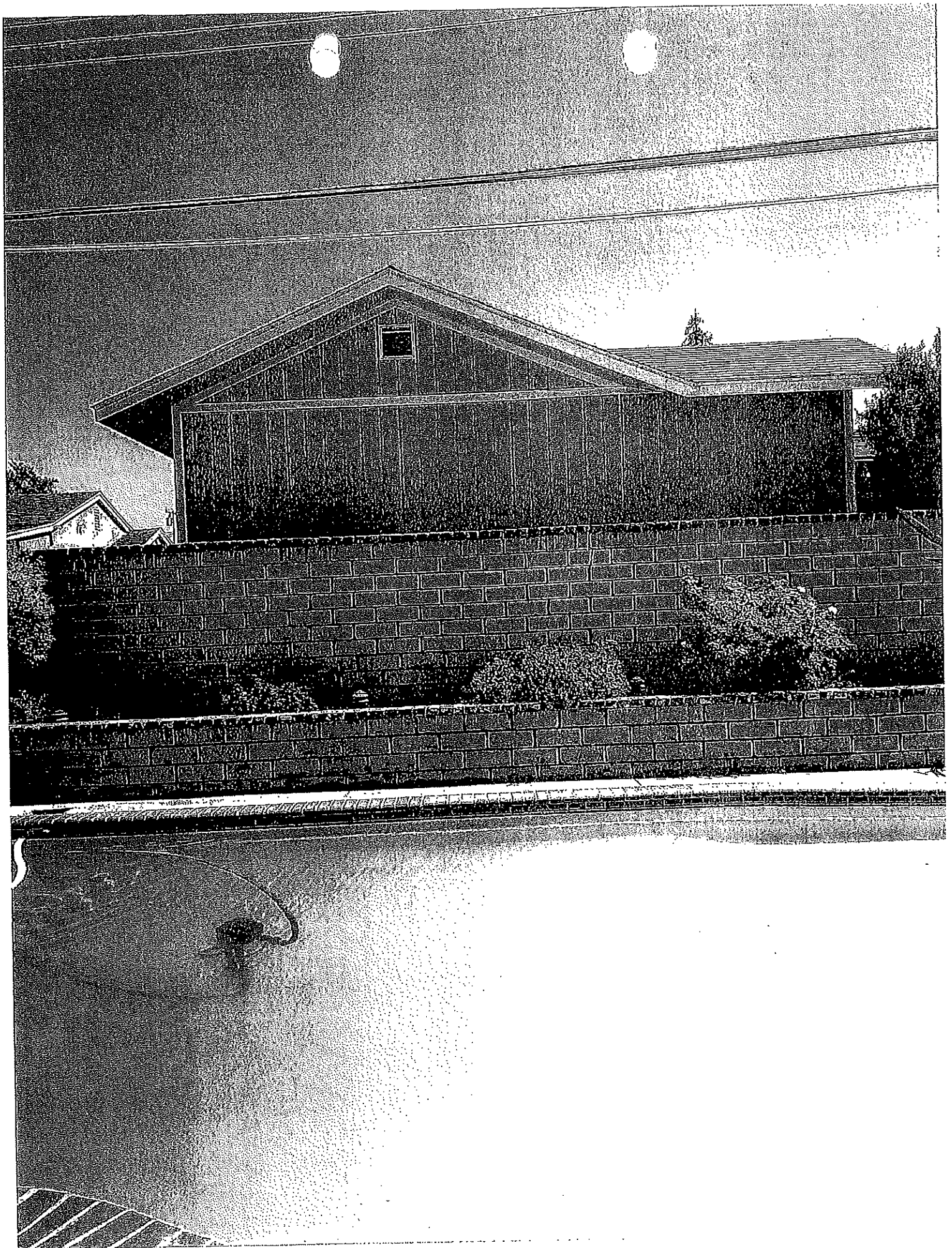
If you're lucky enough to have the square footage, then add a bedroom for your aging parent/grandparent. Don't use the "I need to have a place for my parent/grandparent) as an excuse to build a dwelling when in reality it is most likely to be used as a rental.

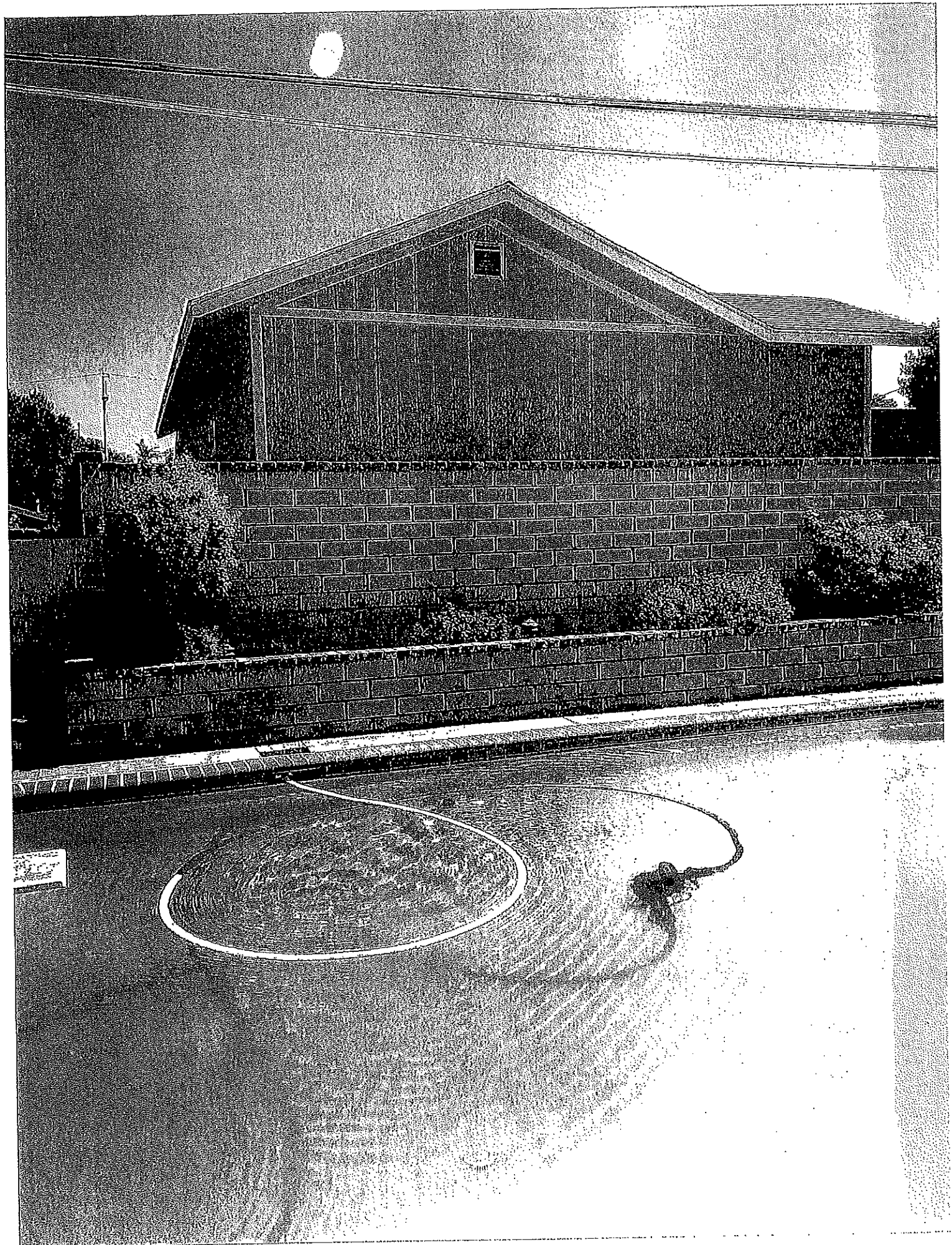
Mr. Jimenez, I appreciate you taking the time to read this letter. Should you wish to contact me, I can be reached via email at mflores858@gmail.com or at (626) 826-5692.

Sincerely,

Martha Flores







Franklin J. Love
Irma Love
420 S. Charvers Ave
West Covina, CA 91791

October 9, 2019

Re: Accessory Dwelling Units

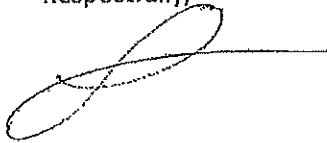
Dear City Council,

We have resided in West Covina for the past 21 years. It has come to our attention that consideration is being given to a proposal to modify the existing restrictions on Accessory Dwelling Units. Any relaxation on the current restrictions would result in parking problems, overcrowded neighborhoods and invasion of the adjoining neighbor's privacy.

With respect to invasion of privacy issues, this will invite lawsuits to abate nuisances. If the City Council relaxes these restrictions, there would be plenty of opportunity for an aggrieved plaintiff to include the city as a codefendant. The history of this City demonstrates that it does not need to be a party to any more lawsuits.

We sincerely hope that you will maintain the current restrictions on Accessory Dwelling Units.

Respectfully,

A handwritten signature in black ink, appearing to be a stylized 'F' and 'L' combined, with a horizontal line extending to the right.

Franklin & Irma Love

Lorraine Switzer
1020 South Shasta Street
West Covina, CA 91791

Phone 626-919-3219
E-mail Lswitzer@juno.com

October 2, 2018

To the West Covina City Council
and the West Covina Planning Commission,

Dear Sir,

It is important to me not to change
the Accessory Dwelling Units policy and codes.

I am an owner and resident of West Covina
since 1954.

The policy and codes the way they stand protects
the value of my property.

Thank you for your consideration of this matter.

Lorraine Switzer

Lorraine Switzer
1020 South Shasta Street
West Covina, California 91791

8

October 9, 2018

Dear City Councilmembers,

I am writing to comment on agenda #14 (Accessory Dwelling Unit Code Amendment 18-02). I object to a minimum lot size requirement of 12,000 sq feet. As well as a rear setback for 25 feet and side setback of 10 feet for detached ADUs because they are unreasonably restrictive and not in compliance with the intent of the state law to reduce barriers to ADU build per government code section 65852.150.

Setbacks should mirror the primary home.

Minimum lot size serves no other function except to exclude smaller lots from opportunity.

I also feel strongly that people should be allowed to build to a maximum of 1200 sq feet for a detached ADU, which is allowable by state standards. Limiting West Covina residents to 800 sq feet when they still have lot coverage and can meet setbacks is robbing them of the ability to build on their land. This is a grave assault on property rights.

At the core of this issue is an extreme housing crisis. Because the city has not met their housing obligations, the state has stepped in. Last week, SB 1226 was signed into law paving a way for unpermitted guesthouses to find a legal pathway.

If you approve this code amendment, you will be forcing 75% of property owners to convert their garages and homes into a duplex because they have no other choice. They do not meet the arbitrary 12,000 sq ft requirement to build a new ADU.

If you approve this code amendment, you will force additional people, like myself, who meet the 12,000 sq feet minimum, but do not meet the 25 feet rear setback, to attach an ADU, thereby converting their home to a duplex.

There is inherent property value in homes that have a detached guesthouse. That is why you don't see homes in more affluent neighborhoods attaching their guesthouses to their primary home. This is strictly a design decision that should be left to the owner as long as they stay within their lot coverage and setback requirements.

The city should consider forward thinking measures to promote ADU build, sensible and fair opportunity for all property sizes, and help champion property rights. That would be in the best interest of the public.

Sincerely,

Jamie Lee

West Covina Resident

RECEIVED
SEP 11 2018
PLANNING DEPT.

Members of the planning Commission

I am writing to oppose changing the city code regarding Accessory Dwelling Units (ADU).

If residents need more room for additional family members, current plans already exist: they are called room additions. If the occupants want privacy, simply submit plans that would shield the new addition from the existing structure, such as a common wall or a locked door.

I understand that the lay terminology for these ADU's is "granny flats". This terminology renders a description of a quiet, elderly woman as the ADU's occupant. How quaint. But what happens when "granny" dies? Who will occupy the ADU? Another "granny", or perhaps another family member? Or perhaps several people who don't mind sharing facilities in a trade-off for low rent?

Where will these people park? Probably on city streets that are already being used by current residents and home-owners as public parking structures and storage units.

West Covina was conceived as a suburb of single family residences. Although times change, YOU have the capacity to retain that concept by not allowing high-density housing in our neighborhood. Just because a minority of the population figures if they are vocal enough, adamant enough and persistent enough in their effort to modify current rules, that YOU will grant them their request. We have lived in West Covina for 65 years. We ask that you please keep our current building code and keep West Covina beautiful.

Thank you

Robert W. Kirk and Noreen F. Kirk

Jeff Anderson

From: Angie Gillingham <angjaso1@aol.com>
Sent: Tuesday, September 11, 2018 9:43 PM
To: Jeff Anderson; herbredholtz@hotmail.com
Subject: Fwd: Population control in West Covina

Jeff & Herb,

My neighbor Jean Gipe would like to submit her views on the subject discussed at 9/11 commissioners meeting. She has an 95 yr old mother who lived with her until a week ago that she has now placed in Grand Regency for around the clock care. She loves her mother just like the rest of us.

Thanks for listening,

Angie

Subject: Population control in West Covina

Hi Angie -- Does this help? Edit as you wish. J.

I have lived in West Covina since 1975 both in a townhouse and a single family home. My choice to live here was based on my work (a professor at Cal Poly) and the beauty and openness of the area. In looking at any plans to develop more housing and increase population density for West Covina I am strongly opposed. It completely changes the nature of the community in appearance and live ability. If one looks at LA County statistics for population density (<http://maps.latimes.com/neighborhoods/population/density/neighborhood/list/>) many of the surrounding towns are lower than West Covina (Azusa, Glendora, Diamond Bar, Rowland Heights, La Verne and Walnut). Our closest neighbors of Covina and Pomona are only slightly higher. A sizeable change for West Covina will decrease the desirability as a place to live and cause all the negative impacts that brings to property values, etc. long term.

Jean Gipe, Professor Emeritus
Apparel Merchandising & Management
Cal Poly Pomona University
Bldg. 45-Room 106
3801 W. Temple Ave., Pomona CA 91768
jgipe@cpp.edu 909-869-4772
<http://www.cpp.edu/~agri/apparel-merchandising-and-management/index.shtml>

Jeff Anderson

From: Jerri Potras <JerriPotras@outlook.com>
Sent: Tuesday, September 11, 2018 9:22 AM
To: Jeff Anderson
Subject: Public Comment Submission Planning Commission Sept. 11 Meeting Agenda Item 4 - Accessory Dwelling Unit

Mr. Anderson,

I am unable to attend tonight's Planning Commission. I would, however, like to submit the following public comment on Agenda Item 4 – Accessory Dwelling Units:

This morning's on-line edition of the San Gabriel Valley Tribune has an article (copied below) that very clearly describes one of my concerns regarding minimum lot size set-backs in neighborhoods such as mine: the smell of marijuana smoke wafting from one backyard to another.

In the areas of the city such as South Hills marijuana smoke drifting from one yard to another may not be a concern. In other neighborhoods of the city, I know it is an issue—and it is an issue that negatively impacts the quality of life of people who do not use, or wish to use, marijuana.

A 5' foot set-back will, by its very nature, "push" activities closer to property lines. The impact to neighboring lots of will understandably vary according to neighboring lot sizes and shapes.

I urge the Planning Commission to recommend a larger than 5' set-back for neighborhoods such as mine and to recommend to the city council that the city use phase-in approach to adopting state minimum standards. Our options should not be stay in the house with closed windows because our neighbors enjoying smoking marijuana in their backyard or move.

Thank you.

Jerri Potras
Resident
1055 E. Eckerman Ave.
West Covina, CA 91790

<http://sgvtribune.ca.newsmemory.com/?token=JAm7BTsnMagdy4i2Etva9jmJKy16%2bY1e&product=eEditionSGVT>

Tuesday, September 11, 2018
Marijuana stinks, and it's a problem

ENVIRONMENT

By Brooke Staggs

Even the most ardent marijuana lovers can't deny it: The plant, at least to some noses, stinks.

Marijuana odors have triggered lawsuits against cannabis companies. They've led residents to try to block commercial operations from coming to California and the other eight states where recreational cannabis is legal and, increasingly, big business.

Odor even has sparked some neighborhood friction as marijuana smoke drifts from one apartment or yard to the next.

There are products on the market that claim to test for smells, block all odors from wafting out of indoor operations, and even help control the stench of outdoor marijuana farms. Long before legalization, the cannabis industry grew accustomed to working underground, making growers and processors and distributors pretty good at hiding the smells associated with their businesses. While that might ease the possibility of odorrelated friction, it doesn't foster industrywide communication about new ideas for tackling the issue, even as new anti-odor technologies are coming to market.

Only now, with odor control an area that's both problematic and ripe for technical solutions, are marijuana entrepreneurs starting to share ideas about their industry's stink factor.

"That's probably the biggest hurdle now, for everybody involved, is knowing what's available as best practices, and what's feasible," said Dana Pack of Fogco, an Arizona-based company that makes systems to neutralize unwanted smells.

Cities can mandate odorcontrol systems for home growers or as a condition for approval of marijuanarelated business permits.

But some in the industry note that odor requirements aren't yet universal and that odor control is yet another element of the marijuana business in which regulators aren't keeping pace with the spread of legalization.

"The licensing agencies are still in a learning curve," said Chuck McGinley, technical director of St. Croix Sensory, a lab in Minnesota that tests for odors and makes products that help others do so in the field. "This is a very young industry."

Residents claim the stench of weed disrupts their quality of life, lowers their property values and causes problems for people with respiratory issues such as asthma.

In June, after the city of Palm Springs issued what might be the first permit for a cannabis lounge in Southern California, the owner of a spa next door threatened to leave town.

Since January 2011, the South Coast Air Quality Management District, which monitors air quality issues for most of Los Angeles, Orange, Riverside and San Bernardino counties, has received 11 complaints of odors allegedly created by marijuana growers, dispensaries or processing facilities, according to spokesman Sam Atwood.

Santa Barbara County and cities within its boundaries have received more permits to grow marijuana than any other county in California. Now residents of the beach town Carpinteria say they're stuffing pillows under their doors to block odors coming from nearby cannabis farms.

In Colorado, three years ago, owner of a residential property sued a marijuana farm that was set to open next door, claiming cannabis-related odors would ruin their horse rides and harm their property values. The lawsuit cited racketeering laws, typically used to prosecute organized crime rings, since marijuana remains illegal under federal law.

A federal district court initially dismissed the Colorado claim, but an appeals court in 2017 cleared the case to move forward. That paved the way for a number of other lawsuits that raise racketeering charges while also citing odor and other nuisance concerns, and similar suits have been filed in Massachusetts and Oregon.

Some of those suits have been settled or dismissed. Others are pending, raising concerns within the industry about how state-legal marijuana programs might be upended by legal battles that often start with simple complaints about smell.

Most odor control solutions for the marijuana industry involve tweaking products that are already used by landfills, wastewater treatment plants and other businesses that generate offensive smells.

The most common fix is to add carbon filters, or "scrubbers," to ventilation systems. As air passes through, odor molecules bind to the activated charcoal. As long as everything is properly installed and maintained, McGinley said the air that comes out of the vents should be virtually odorless.

But carbon filters have to be replaced often, making them pricey for large operators. Carbon filters also rely on a lot of electricity, making them less than ideal for many environmentally conscious greenhouse owners. And, of course, air filters can't do anything about the smell generated by outdoor farms.

That's where fog systems might come into play.

These systems involve placing nozzles at the spot where air from a grow operation will be expelled. The system mixes water with an odor-neutralizing chemical and forces that mixture through the nozzles at high pressure. The water instantly evaporates, leaving the chemical in the air to attract and neutralize any cannabis smells. "The idea is to build a barrier of fog between the odorous air and the community," said Fogco's Pack.

Such systems don't need to be in constant use, so Pack said energy use and maintenance are "a fraction" of what's required to use carbon filters.

Mark Stanley, a vice president with Palm Springs-based MicroCool, which also makes a fog odor-control system, said marijuana growers are showing enough interest in his company's products that it's hard to keep up with demand.

Pack of Fogco said that while greenhouse operators are his company's biggest clients, his company also sets up systems to control odors from outdoor farms. They line the perimeter of the farm with nozzles, which they can turn on when plants are flowering and monitors show that wind speed and direction might carry the scent to neighbors.

Some online grower forums recommend "ozone generators," which can disrupt smells by converting oxygen into ozone. But the California Air Resources Board advises against using the devices with people around since, to remove odors, they have to create ozone molecules at levels that aren't safe for humans to breathe.

With such a wide range of techniques available, Santa Monica-based cannabis attorney Michael Jensen said it's key to write odor-control regulations that leave room for innovation.

Currently, California law doesn't do much to address odors, requiring only that marijuana businesses limit emissions from generators and from the solvents used in the extraction of certain marijuana compounds. Otherwise, state agencies overseeing cannabis have said odor control is a local issue.

Most California jurisdictions ban all marijuana businesses. And many cities and counties that do permit them simply include a line or two in their regulations that say marijuana odors can't be noticeable.

Los Angeles's marijuana regulation rules run 33 pages, only three sentences of which address odor control. The rules state that air vented from marijuana businesses must be filtered so that odors can't be detected outside, or in adjoining sites, by a person with a "normal sense of smell."

Long Beach requires businesses to submit odor control plans when they apply for local permits, and the system must be certified by a licensed engineer.

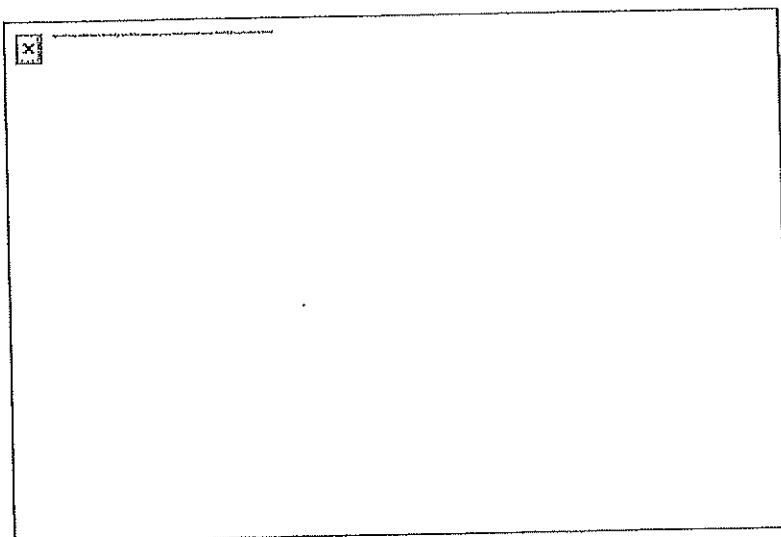
Local authorities are also the go-to source for complaints about marijuana odors.

While it's legal in California for adults 21 and over to consume marijuana, and grow up to six plants at home, residents bothered by the smell can report it as a nuisance to their local code enforcement office. If the neighbor lives in an apartment, under a homeowner's association or has a landlord, residents might have better luck reporting complaints through those entities, since they can ban smoking and cultivation in their units.

Odor complaints are tricky to investigate, according to Alan Abbs, executive director of the California Air Pollution Control Officers Association. Smells tend to dissipate quickly, and the offensiveness of certain smells can be subjective.

One way to remove some of that subjectivity is to use devices called field olfactometers, which offer science-backed data about the intensity of odors.

McGinley's lab makes a field olfactometer called the Nasal Ranger. It looks like a telescope with a mask on the skinny end and a rotating dial on the fatter end. Users adjust that dial, then hold the Nasal Ranger up to their nose and breathe in. Carbon filters purify some of the air. Then, based on the dial's setting, the device mixes the filtered air with the air coming in from outside before it gets to the user's nose. The more dilution required to get rid of the smell, the stinkier the outside air would be.



Arturo Gonzalez
Resident of West Covina
1414 E. Eckerman Ave.
West Covina, CA 91791
September 9, 2018

Mr. Jeff Anderson
Planning Director
City of West Covina
1444 West Garvey Avenue South
West Covina, CA 91790

RE: Planning Commission: Study Session
Code Amendment No. 18-02 Accessory Dwelling Unit Revision

I am greatly concerned with the possibility of West Covina ADU standards that are currently in place being revised. The changes proposed to the planning commission will have a negative impact to homeowners that do NOT wish to have second dwellings built in their neighborhoods. The revisions will effect the newly formed districts of West Covina in a disproportionate way. This disproportion will have an adverse effect on neighborhoods previously or currently profiled as low income areas. The current ADU standards provides a safeguard against adverse population density and provides the residents a continual suburban life style. The proposed revision should be rejected. Any revision is unacceptable.

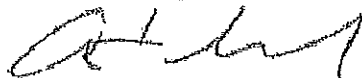
The proposed ADU figures being presented to the Planning Commission is quite alarming. The reduction of lot size requirement of 12,000 square feet. Decreasing the minimum rear setback from 25 feet to 5 feet. Increasing the allowed size of dwelling unit from 800 square feet to 1,200 square feet. The landscape of West Covina is distinct. Housing situated on hillsides, in valleys, on flat lands, and in gated communities. Homes and lot sizes vary from one neighborhood to another in each district. According to one statistic 25 percent of the residential properties in West Covina are at least 12,000 feet. The explicit meaning of this statistic is that 75 percent of the city's residential property is potential for unfetter exploitation. I have strong reservations that an equitable outcome will be realized especially for a city with five newly created districts and whose demographics are quite diverse. How can the changes proposed not effect one district in an adverse way while having the opposite effect on another district.

One of the topics for changing ADU standards is the rhetoric on housing shortage. State government and business groups are expounding that Southern California has an affordable housing crisis. Local city governments are tasked to develop plans that

address the housing shortage in the form of a "short term fix to Southern California's affordable housing crisis". In business there is a term used for "short term fix"; it's called a "permanent fix". Providing a means to permit more structures to be built on existing property less than 12,000 square feet is an ill conceived plan. It allows for increases population density that will adversely impact West Covina resident's quality of life. Dense population places a burden on residents and the city's infrastructure. The standards of "quality" which the city of West Covina embraces will quickly erode as "quantity" continues to be the desired "short term" solution for both business and government. Squeezing more structures into limited space is a disservice to residents of West Covina. Code Amendment No. 18-02 Accessory Dwelling Unit Revisions is unacceptable.

I moved from Los Angeles 25 years ago. I relocated because I wanted to remove myself from the problems that are inherent with poor governance in a densely populated city. I purchased my house in West Covina 25 years ago because I wanted to live in a city where "quality of life" is first. The fact that I can enjoy family functions on my property without any negative impact on my neighbor's well being is important. In 25 years of living in the same neighborhood not one complaint from my neighbors. This is one of the benefits inherent to a city with low population. Living a suburban life (style) in West Covina has been a tremendous blessing! I do not want to see this dream that I have worked so hard to attain taken away. I do strongly oppose amending the current ADU standards.

Sincerely,



Arturo Gonzalez

Subject: Dear city Council
 From: Catscann2004 (catscann2004@yahoo.com)
 To: catscann2004@yahoo.com;
 Date: Tuesday, August 28, 2018 3:34 PM

Dear city Council
 I am asking the city Council to take a look at the current building regulations of 800 ft². I feel if we have enough Space on our property that we can build according to state regulations of 1200 ft² and I hope the city Council will approve a 5 foot Space between the rear of our property instead of the current 25 foot spacing. I feel it's so important we have the ability to construct additional housing space so I may take care of my elderly parents and to help our kids with living space until they can afford their own home so please City Council vote the loosening of the restrictions in order for property owners to take care of the family
 thank you

Sent from my iPad

Richard Flores
 1023 S. MONTEZUMA WAY
 WEST COVINA CA 91791





Brian Tabatabai ADU

1 message

Brian Tabatabai <bmteducator@yahoo.com>
To: tommie50@gmail.com

Tue, Aug 28, 2018 at 6:01 PM

For a child to take in their parents, to house them, to support them is the highest honor in my culture. It is an expectation we understand and embrace. I had the pleasure of being raised with my grandmother in my childhood home. Many nights were spent listening to our families, eating ancient recipes, having someone who loved me waiting for me, as both my parents worked. It is now my time to do the same.

In 2008, my parents, like many others lost a large portion of their retirement. In 2015 it lead to the selling of their home. From this tragedy came wonderful opportunity. With our home we planned to build a beautiful place for my mother. A place where she could live with family, where we could care for her, where she could pass on our families legacy to my son. ADU are an opportunity to keep families together, to keep our village from falling apart.

We hope the city can see the importance. We hope the city can realize at close to \$200K, they are not a cheap way to make an extra buck. They are a child's obligation.

Thank you

Sent from my iPhone

JERRI POTRAS
1055 E. ECKERMAN AVE.
WEST COVINA, CA 91790

August 28, 2018

Mr. Jeff Anderson
Planning Director
City of West Covina
1444 West Garvey Avenue South
West Covina, CA 91790

RE: PLANNING COMMISSION; STUDY SESSION
CODE AMENDMENT NO. 18-02 ACCESSORY DWELLING UNIT REVISIONS

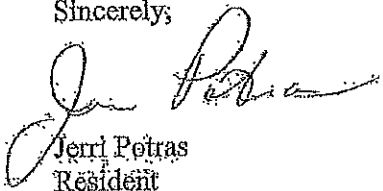
I am concerned a "one size fits" all approach regarding set-back/proximity to property lines advocated by some owners of larger lots in West Covina will have an adverse impact on a neighborhood such as mine. I am, therefore, requesting the Planning Commission support, to whatever degree possible, revising the Accessory Dwelling Unit (ADU) revisions, in a manner that preserves the quality of living in all neighborhoods.

In my neighborhood lot sizes vary quite a bit. Some lots would accommodate a "tiny house." Mine most likely would—if state ADU minimum standards are adopted. There are host of issues associated with increasing density in suburban neighborhoods that are unknown. It would be prudent for the city to move slowly because negative impacts on a neighborhood would be virtually impossible to undo.

For example, what people do in their own yards can and often does impact the enjoyment of adjacent property. Lot size is a variable on quality of life. With current standards, for instance, smoke from a barbecue or smoke ring does drift to a neighboring yards, even across an alley. The same situation also occurs when residents smoke marijuana in their own backyard. People who don't wish to smell smoke have little choice but to stay inside their own home with their windows closed. "Noise" from backyard activities can become an issue. The examples I have cited are real. Adding a second unit close to the property line will amplify these issues because these activities will occur closer property lines.

It is my understanding that state law allows a city to have some discretion in this area. Many residents, myself included, moved to West Covina because we desired a suburban, not urban life style. I am concerned adopting minimum ADU standards at this time holds the potential for unknown negative impacts on neighborhoods. The quality of life in my neighborhood is important to me. I urge the Planning Commission to recommend ADU standards to the city council that will retain the suburban environment of all West Covina neighborhoods.

Sincerely,


Jerri Petras
Resident

EMAIL: JLPOTRAS@OUTLOOK.COM PHONE/FAX: (626) 931-1295



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: RING RESIDENTIAL REBATE PROGRAM

RECOMMENDATION:

It is recommended that Council provide staff direction.

DISCUSSION:

At the December 18, 2018 City Council Meeting, the City Council approved Councilwoman Letty Lopez-Viado's request to conduct research into a potential partnership with Ring Home Security. Ring is one of several businesses that have created high tech products to help provide better security of homes and businesses. Ring is known for their Video Doorbell System that has been installed on homes throughout the nation.

The Ring Video Doorbell is installed as a replacement to a household door chime bell. The Ring Doorbell allows the resident to have continued video footage of their front porch and other areas of their yard/driveway. There are various options and accessories available from Ring to provide one-on-one interaction with visitors through a mobile application, security lights, and chime alarms.

With the invention of the Ring Video Doorbell System, communities have expressed an interest to find opportunities to partner with Ring to help deter crime in their community. As a result, the Ring Residential Rebate Program has been embraced by several Southern California cities, including La Habra, Alhambra, Arcadia, Diamond Bar, Temple City, and Monrovia. This program allows residents to receive a \$100 credit on the purchase of select products from Ring, with cities providing \$50 per household and Ring matching the \$50, for a full \$100 discount. As a bonus, residents would then receive additional credit or discounts on other products purchased.

Staff contacted Arlo, Nest, Ring and Canary, who have similar products for home safety, to see if they were interested in a partnership with the community. Ring was the only company to respond that they were interested.

Ring Product Discount Program If the City of West Covina was to partner with Ring on the Residential Rebate Program, it would be structured similar to the City of La Habra, where the following discounted products would be eligible through the \$100 rebate program:

- One (1) product per household can be purchased with the \$100 (\$50 City/\$50 Ring) discount off the retail price through the Ring website. *The discounted prices are subject to change:
 - Video Doorbell 2- \$99
 - Video Doorbell Pro- \$149
 - Spotlight Cam Battery- \$99

- Spotlight Cam Wired- \$99
- Floodlight Cam- \$149
- Up to two (2) additional products per household can be purchased with a \$30 discount, from Ring off the retail price. *The discounted prices are subject to change:
 - Video Doorbell 2- \$169
 - Video Doorbell Pro- \$219
 - Spotlight Cam Battery- 169
 - Spotlight Cam Wired- 169
 - Floodlight Cam- \$219
- Up to three (3) accessories per household can be purchased at 20% off the retail price through Ring's website.

The initial \$100 Residential Rebate Program is provided via promotional code, one per household address, valid for a single-use and cannot be used towards previously purchased Ring products. Receiving a promotional code does not guarantee a discounted price as it is on a first-come-first-served basis. Also, there are additional fees for the Ring subscription to record and save video footage from the Ring Video Door Bell and to have access to the video through the Ring mobile application if a resident wants this optional service.

Ring requires a minimum investment of \$10,0000 from the City of West Covina to launch the Ring Residential Rebate Program is \$10,000.

OPTIONS:

The City Council has the following options:

1. Appropriate \$10,000 for the Ring Residential Rebate Program for Fiscal Year (FY) 2018-19 from Fund Balance;
2. Incorporate program into the FY 2019-20 Budget discussion;
3. Receive and file; or
4. Provide alternative direction.

Prepared by: Nikole Bresciani, Assistant City Manager/Public Services Director

Additional Approval: Shawn Granger, IT Manager

Fiscal Impact

Fiscal Year: 2018-19

Budgeted Y/N: N

FISCAL IMPACT:

The impact to the General Fund for FY 2018-19 would be \$10,000 if Council's directive is to proceed with the Ring Residential Rebate Program. The program is not eligible to be funded with Community Development Block Grant funds.

CITY COUNCIL GOALS & OBJECTIVES: Identify Resources to Provide Better Public Safety



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: PURCHASING POLICY

RECOMMENDATION:

It is recommended that the City Council receive and file this report.

BACKGROUND:

Council Member Castellanos asked for this item to be agendized at the January 15, 2019 City Council Meeting. The City of West Covina adopted a Purchasing Ordinance (Ordinance No 576) on June 23, 1958, which was subsequently amended by Ordinance No. 2070 on July 3, 2001, Ordinance No. 2172 on March 4, 2008, and Ordinance No. 2276 on June 16, 2015. The City adopted Ordinance No. 2337 on April 3, 2018. After adoption of Ordinance No. 2337, a revised Purchasing Policy (Attachment No. 1) implementing the changes dated April 3, 2018, was disseminated to all staff.

DISCUSSION:

The Purchasing Policy dated April 3, 2018 was a compilation of efforts by City staff and a financial consultant from Lance, Soll and Lunghard, LLP, to review the City's Municipal Code and Purchasing Policy to facilitate bringing them into compliance with Federal and State guidelines.

The Purchasing Policy includes five (5) key interrelated components, which were developed following the Committee of Sponsoring Organizations (COSO) Framework which were recommended by the Federal Government under Uniform Guidance. Following these five (5) components will further standardize the processes in order to secure services, materials, supplies and equipment at the lowest possible cost consistent with satisfactory standards of quality, availability and suitability of the goods or service required.

1. **CONTROL ENVIRONMENT:** This is the tone of the organization which sets the foundation of the system of internal controls. (Page No. 5)
2. **RISK ASSESSMENT:** This is the process in which you ask, "What can go wrong?". This is a continuous process for identifying, analyzing, and managing risk, which is performed by Management. (Page No. 5)
3. **CONTROL ACTIVITIES:** These are the policies and procedures to help ensure that management directives are carried out. These are the actions to mitigate risks and are to be performed by all levels and throughout all locations of the government. (Page No. 6)
4. **INFORMATION & COMMUNICATION:** This is necessary for the City to carry out its responsibilities. Communication is both external and internal. External communication includes department heads receiving proper training and relevant membership/access to grant compliance resources and procurement requirements. Internal information within the City must be communicated in all directions to allow employees to carry out

day-to-day activities relating to purchasing. (Page No. 12)

5. **MONITORING:** This is an ongoing assessment and separate evaluation which tests whether the controls are being effective. Internal auditing within the City includes sampling of transactions and testing of compliance. (Page No. 12)

The Purchasing Policy states the following limits by position:

PURCHASE ORDER - Unless listed below as payable on demand, a purchase order is required for ANY procurement that exceeds \$2,500. Except for Public Works projects (construction) covered under the California Uniform Public Construction Cost Accounting policies and procedures, all purchase orders are subject to the following dollar limits.

- Purchases \$2,500 or less – No quotes required.
- Purchases \$2,501 – \$20,000 - Three (3) written quotes w/PO request approved by Dept. Head & Finance Director.
- Purchases \$20,001 – \$30,000 - Three (3) written quotes w/PO request approved by Dept. Head, Finance Director and City Manager.
- Purchases \$30,001 or more – Formal bid procedure required w/Council approval prior to PO.

Exceptions to the competitive process (purchases that require three (3) bids) include: sole source procurements, emergency purchases, and piggy-backing on another agency's bid which include General Services Administration (GSA) and California Multiple Award Schedule (C-MAS) contracts.

Public Works construction projects are subject to the California Uniform Public Construction Cost Accounting policies and procedures. As of January 1, 2019, the following limits were updated by the State:

1. < \$60,000 to be performed by employees of a public agency by force account, by negotiated contract, or by purchase order
2. Projects costing up to \$200,000 to be contracted by informal bidding procedures: (minimum of 3 bids required). If less than the three (3) bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account or negotiated contract (purchase order) with the only bidder.
3. Projects costing over \$200,000 are subject to the formal bidding process.

Purchase Orders – Upon receipt of appropriate backup and the approvals, purchase orders are processed daily.

● ***Appropriate Backup includes the following***

- Three (3) written quotes (when applicable)
- Requisition screen print showing available funding
- Other Reports /Documents:
 - Memos
 - Staff reports and copy of approved minutes or certification from City Clerk
 - Fully executed agreements, to include Insurance Certificate, Non-Collusion and Indemnification forms.

Emergency procurements that exceed \$2,500 require an Emergency Purchase form along with requisition form signed by the City Manager. Complete directions are included in the Purchasing Policy located on the Citywide drive.

The following is a listing of chapters in the Purchasing Policy which provides guidance to Staff.

General Purchasing Regulations
Emergency Purchases
Professional and Consulting Services
Specifications
Public Works Change Orders
Amendments to Purchase Orders
Credit Card Purchases
Fuel Card Program

Local Vendors
Invoice Payments
Surplus City Property
Contract Documents
Environmentally Preferable Purchasing
Cooperative Contracts
Procurement/Contracting using Federal Funds

The Purchasing Policy shall be amended from time to time with the approval of the City Manager for additional clarification, as local, state and federal rules are updated.

Prepared by: Mark Baxter, Purchasing Manager

Additional Approval: Marcie Medina, Finance Director

Fiscal Impact

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Attachments

Purchasing Policy
Ordinance No. 2337



City of West Covina

Purchasing Policy

April 3, 2018

TABLE OF CONTENTS

INTRODUCTION.....	3
GENERAL PURCHASING REGULATIONS.....	5
EMERGENCY PURCHASES.....	14
PROFESSIONAL AND CONSULTING SERVICES	16
SPECIFICATIONS	19
PUBLIC WORKS CHANGE ORDERS.....	21
AMENDMENTS TO PURCHASE ORDERS.....	26
CREDIT CARD PURCHASES	29
FUEL CARD PROGRAM.....	32
LOCAL VENDORS.....	35
INVOICE PAYMENTS.....	37
SURPLUS CITY PROPERTY.....	38
CONTRACT DOCUMENTS	40
ENVIRONMENTALLY PREFERABLE PURCHASING	42
COOPERATIVE CONTRACTS	43
PROCUREMENT/CONTRACTING USING FEDERAL FUNDS.....	44

INTRODUCTION

This document defines the policies and procedures for the procurement of supplies, services and equipment, for the City of West Covina. Its purpose is to establish standardized regulations to City personnel for use in all procurement situations. The policy and procedures were developed under the authority of the City of West Covina Municipal Code (Article VII. Purchases and Sales), and are in conformance with the requirements of Federal and State codes and regulations.

The procedures serve as a guide for maintaining the City's reputation for fairness and integrity as well as to ensure proper checks and balances. All purchasing functions will be conducted using the highest ethical standards as derived from the *Principles and Standards of Ethical Supply Management Conduct* advocated by the Institute for Supply Management (ISM) formerly National Association of Purchasing Managers (NAPM) and the California Association of Public Purchasing Officers (CAPPO). In addition, the Finance Department will remain constantly aware of its responsibilities in spending public funds. This Purchasing Policy is not intended to supersede the West Covina Municipal Code, City Ordinances or any State or Federal law.

The Purchasing Policy of the City of West Covina is to obtain quality supplies, services, and equipment needed for the proper operation of its various departments at the lowest possible cost while ensuring that the proper procedures are followed and necessary approvals obtained. This manual strives to define decision making with prudent review and internal control procedures to maintain departmental responsibility and flexibility in evaluating, selecting and purchasing supplies, services, and equipment. To this end, each section of the manual will begin with a "Purpose" or stated goal, and will be followed by "Provisions" or procedures that spell out, in clear terms, how to purchase supplies, services and equipment. Every employee of the City is responsible for adhering to the policies and procedures established by the City. When procuring supplies, services, and equipment, all departments shall follow the policy and procedures that are defined in this *Purchasing Policy and Procedures* manual.

These procedures were developed following the Committee of Sponsoring Organizations (COSO) Framework which were recommended by the Federal Government under the Uniform Guidance. In a joint initiative, The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the American Accounting Association (AAA) developed the "COSO Framework". The COSO Framework incorporates five (5) interrelated components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. These five components were utilized in developing the City of West Covina's Purchasing Policy.

The Procurement Policy of the City of West Covina is to accomplish three (3) objectives.

- 1) Operations of the City of West Covina are operating effectively and efficiently which includes operational and financial performance goals and safeguarding of resources.
- 2) Reporting of the City of West Covina are reliable for proper financial reporting internally and its preparation of the published financial statements.
- 3) Compliance of the City of West Covina are adhering to the laws and regulations which the City of West Covina is subject to.

The Purchasing Division exists as a service agency for other departments and divisions of the City. Our customers are the employees of the City of West Covina. Purchasing personnel must function as an essential tool for all departments. Cooperation is essential for the successful operation of the purchasing function. An effective purchasing program requires that all personnel involved be part of a team. This procurement team must include not only the representative of the ordering department and Purchasing, but also, the individuals responsible for the repair and maintenance of the equipment to be purchased. By carefully following good purchasing practices and procedures, the City's purchasing division can become essential in promoting efficiency and economy in government operation.

By complying with adopted policy and procedure, we assure that our day-to-day operations run effectively and efficiently, that we achieve our performance and financial objectives, and that we safeguard our resources. As employees, defined policies and procedures let us know what is expected of us and help us to define our job and understand our responsibilities.

The City of West Covina adopted a Purchasing Ordinance (Ordinance 576) on June 23, 1958 which has been subsequently amended by Ordinance 2070 (July 3, 2001), Ordinance 2172 (March 4, 2008), Ordinance 2276 (June 16, 2015), and Ordinance 2237 (April 3, 2018), which this Purchasing Policy does not replace, but further provides administrative policies and procedures to implement. This Policy shall be amended from time to time for additional clarification.

GENERAL PURCHASING REGULATIONS

PURPOSE:

Policy and procedures have been standardized in order to secure services, materials, supplies and equipment at the lowest possible cost consistent with satisfactory standards for quality, availability and suitability of the goods or service required. In addition, these procurement procedures shall provide for the City to avoid purchasing unnecessary items. (as required 2CFR 215.44 a(1))

CONTROL ENVIRONMENT: *(This is the tone of the organization which sets the foundation of the system of internal controls.)*

City Manager and Department Heads (Management) will set the “Tone at the Top” for all City employees relating to proper procurement of the City of West Covina. Management communicates the ethical and integrity importance of the City. Management will communicate the importance of the City of West Covina’s Fraud, Waste, and Abuse Policy to employees in which they have oversight. In addition, an annual review of the Conflict of Interest and Ethics Policy will be distributed to all employees of the City.

CE1) Annually the following policies will be distributed to all employees with a returned acknowledgement form:

- a) Fraud, Waste, and Abuse Policy
- b) Ethical Standards Policy (Conflict of Interest)

POLICY:

All purchases and payments will be made by either purchase order or by demand payment as outlined below pursuant to the West Covina Municipal Code. This includes contracts and maintenance agreements.

GENERAL PROVISIONS OF POLICY:

RISK ASSESSMENT: *(This is the process in which you ask, “What can go wrong?”. This is a continuous process for identifying, analyzing, and management risk which is performed by Management.)*

- R1) Purchases made by the City can exceed the approved budget.
- R2) Purchases not made independent/fair and can be made to friends or relatives.
- R3) Purchases can be made without the proper research for best prices resulting in improper use of public funds.
- R4) Purchases can be reported in the wrong accounts resulting in improper financial reporting.
- R5) Federally funded purchases can be made without meeting the proper compliance requirements.
- R6) Payment can be made on invoices unknown by department heads.
- R7) Agreements/contracts may be entered without Council approval.

- R8) Agreements/contracts can be signed without proper funds available.
R9) Lack of efficiency resulting in waste of City funds.

CONTROL ACTIVITIES: *(This is the policies and procedures to help ensure that management directives are carried out. These are the actions to mitigate risks and are to be performed by all levels and throughout all locations of the government.)*

C1) **Unless listed in Exceptions 2f (page 10) as “Payable on Demand,” pursuant to Section 2-331 of the West Covina Municipal Code, a purchase order (PO) is required for ANY procurement that exceeds \$2,500 according to the rules prescribed by the City Manager and the West Covina Municipal Code.** An authorized purchase order shall be issued **PRIOR** to procuring supplies, services or equipment and committing the City to any financial obligation. (R1)

- A. **Purchase Requisitions** - Departments request purchase orders by entering purchase requisitions into the finance system and by completing a purchase requisition form. Backup (staff reports, contracts/agreement, adjustment/appropriation memo, Eden expenditure status) shall accompany all requisition requests submitted to the Purchasing Division. Department Heads may establish a list of users (individuals authorized to enter requisitions into the financial system) by submitting names to the Purchasing Manager. Please note that requisitions are entered under one queue only, and account numbers are assigned to specific queues.

Purchasing staff can enter POs directly for orders that are funded from accounts assigned to different/multiple queues provided that the backup (i.e. invoice, staff report, etc.) so specifies. (For example: Graffiti Abatement is charged to several departments; all with different queues. The requesting department shall forward to Purchasing a completed requisition form including backup consisting of the supporting staff report that shows City Council approval and fund distribution. Purchasing will enter the PO direct and send the requesting department a copy of the PO.)

B. **METHODS OF PROCUREMENT THRESHOLDS**

Micro purchases (\$2,500 or less) - The purchase of supplies, services and equipment of an aggregate value that does not exceed \$2,500 is not subject to competitive bidding. However, wherever possible, a conscientious effort shall be made to obtain products/services from West Covina vendors. Invoices shall be forwarded to Accounts Payable after completing the following:

- Coding the invoice with the proper account number (R4)
- Obtaining an authorized signature approving payment of the invoice (R6)

Small purchases (\$2,501 that do not exceed \$30,000) - The purchase of supplies, services and equipment of an aggregate value greater than \$2,501 that does not exceed \$30,000 (including sales tax, shipping, etc.) **requires a PO** awarded to the lowest responsible bidder after obtaining a minimum of three (3) written rate quotes.

- a. The written rate quotes as support with the purchase requisition. If lowest

quote is not recommended, written documentation as to why it was not recommended and purchasing should verify there is no conflict of interest issues. (R2) (R3)

- b. If greater than \$2,500 but does not exceed \$20,000, must be approved by requesting Department Head and Finance Director. (R1) (R4) (R6)
- c. If greater than \$20,000 but does not exceed \$30,000, must be approved by City Manager. (R1)
- d. If greater than \$30,000, must be approved by City Council. (R7)
- e. The Purchase Order greater than \$30,000 requires the approval of the requesting Department Head, the Finance Director, and the City Manager. (R1)
- f. Staff reports or other forms of proof of appropriation, contract/agreement, and current expenditure status should be forwarded to the Purchasing Division. (R1)

Competitive Proposals (Non-Construction \$30,001 or more) - Purchases for supplies, services, and equipment of a value greater than \$30,000 shall be made through an advertised, written bid process outlined in Section 2-333 of the West Covina Municipal Code. Request for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical. Proposals must be solicited from an adequate number of qualified sources. A written method for conducting technical evaluations will be used for proposals received and for selected recipients. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors considered.

Competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.

Formal bids shall be awarded by City Council, and a PO is required to place the order. A copy of the Council approved staff reports, resolutions, executed contract/agreements, and current expenditure status shall be forwarded to the Purchasing Division as backup for the purchase requisition. All agreements shall be executed by the Mayor or authorized individual as approved by the City Council and/or defined under the Purchasing Ordinance, or any other related municipal ordinance or related state code. (R4) (R5) (R6) (R7) (R8) (R9)

Solicitation for goods and services provide for all the following: (as required by 2CFR 215.44 a(3))

- 1) A clear and accurate description of the technical requirements for the material, produce or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition. (R2) (R3) (R5)

- 2) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. (R2) (R5)
- 3) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. (R2) (R5)
- 4) The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation. (R2) (R5)
- 5) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement. (R2) (R5)
- 6) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient. (R5)

Uniform Public Construction Cost Accounting Act

Where applicable and upon approval of Public Works Director and City Manager, Public Works contracts may follow the alternative bidding procedure known as the Uniform Public Construction Cost Accounting Act (“the Act”) (adopted by City Council Resolution 2007-83 on December 18, 2007) within the limits (currently \$175,000) specified in the Act. The Act was enacted under Public Contracts Code Section 22000 through 22045 (PCC 22000-22045). In part, the Act (PCC 22032) states that public work projects of \$45,000 or less may be performed by negotiated contract or PO, and projects of \$175,000 or less may be let to contract by informal bid procedures. City Council approval is required; however, for awards equal to or greater than \$45,000. Any public works project of more than \$175,000 shall be let to contract by formal bidding procedures. (As defined in the Public Contracts Code, “public works contract” means an agreement for the erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind.) Contracts over \$175,000 or other amount established under the Act must adhere to the bidding requirements set forth in the West Covina Municipal Code. Except as permitted above, Public Works shall follow the bidding requirements as defined in the State of California Public Contract Code, or as defined and required by the Agency that provides the source of funding, whichever is more stringent.

Sealed Bids (Construction Projects \$30,000 or more) – This is the preferred method for procuring construction with the following conditions:

- a. A complete, adequate, and realistic specification or purchase description is available
- b. Two or more responsible bidders are willing and able to compete effectively for the business
- c. The procurement lends itself to a firm fixed price contract and the selection of

the successful bidder can be made principally on the basis of price

The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening bids. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. (R2) (R3) (R5)

A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding, documents, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of and any of all bids may be rejected if there is a sound documented reason.

- Lowest Quote means the bidder who best responds in price, quality, service, fitness, or capacity to the particular requirements of the City. Price alone shall not be the determining factor, but shall be considered along with such factors as the ability of the bidder to deliver, availability of parts or service, prior experience with the bidder, and other factors relating to the particular needs of the City for the supplies, equipment or service to be purchased. (R3)
- The company's name, dollar amount quoted, date, and name and phone number of the individual rendering the quote should be documented and forwarded to the Purchasing Division as backup to the purchase requisition. Letters of Proposal, Order Forms, and/or written quotations are also considered backup, and should be forwarded to the Purchasing Division. Please note the requisition number on all backup. (R4)

EXCEPTIONS

- 1) A legal ad is not required for professional services.
- 2) Under certain circumstances, procurements may take place without competitive bidding or obtaining three (3) written or verbal quotations. Examples of such circumstances are as follows:

- a. Emergency Purchases (R9)

Emergency Purchases shall be handled as set forth in the Emergency Purchases section. Proper authorization shall be obtained at the earliest opportunity after the emergency has been addressed.

- b. Sole Source Procurements (R9)

Occasionally, certain supplies, material, equipment, or services are of a

proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. Sole source procurements require a written explanation as to the nature of the product, what specific feature makes it a sole source, why substitution cannot be used and an explanation of effort expended in trying to find other sources. The written explanation shall be forwarded to Purchasing as backup.

c. No Response Received to Bids (R9)

After making a good faith effort to obtain bids that results in no bids received, the order may be placed with a qualified supplier. A list should be forwarded to the Purchasing Division as backup showing the vendors contacted.

d. Bid Procedure is Dispensed by Majority Vote of the City Council (R9)

The City Council may dispense with competitive bidding procedures upon finding that it would be impracticable, useless or uneconomical to follow such procedures and that the public welfare would be promoted by dispensing with the same. (WCMC, Sec. 2-330, Bidding)

e. Federally funded projects exceeding \$100,000 and procurements were awarded by negotiation, or awarded when only a single bid or offer was received, or awarded to other than the apparent low bidder, or specifying a “brand name” product must get prior federal awarding agency approval. (R5)

f. Exceptions Payable on Demand - The following items are exceptions and **DO NOT** require a purchase order. (R9)

- i. Conference Expenses
- ii. Credit Cards
- iii. Entertainment
- iv. Luncheons
- v. Mileage Reimbursements
- vi. Training
- vii. Travel Expenses
- viii. Other Debt Service (Bonds, notes)
- ix. Petty Cash/Refunds
- x. Utility Payments
- xi. Memberships

C2) Council approved, multi-year contracts require a separate purchase order for each fiscal year of the contract effective July 1 through June 30. Purchase requisitions should reference the term of the contract and the date of the Council meeting (e.g., “first year of five-year contract as awarded by City Council on 6/15/2010”). The staff report, adopted resolution, and executed agreement shall accompany all purchase requisitions and purchase orders. (R1) (R7) (R8)

- C3) Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action of greater than \$2,500. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices, and similar indicia, together with discounts. Costs analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability. (as required 2CFR 215.45) (R3) (R5)
- C4) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical for the City of West Covina. (as required by 2CFR 215.44 a(2) (R3) (R5))
- C5) PO Processing Schedule
- a. Purchase Orders Issued - Upon receipt of system-approved purchase requisitions and appropriate backup, purchase orders will be issued. (R9)
 - b. Emergency purchase orders may be obtained immediately from Purchasing upon request from a Department Head (or his/her designee). Provide Purchasing with a completed requisition form along with the emergency request form (available on citywide drive), description of the emergency, account number, and a "Not to Exceed" amount. (R9)
 - c. Confirming Orders - **WILL NOT** be accepted. Please obtain PO prior to placing order. (R9)
- C6) Bid Splitting - Supplies, services, equipment, or professional services may not be split or separated into smaller projects or job tasks for the purpose of evading approval requirements or obtaining City Council approval. (An example of bid splitting would be placing an order with Office Depot for \$2,500 for an office desk and chair; then entering a second order for a conference table and conference chairs, and maybe a third order for lateral cabinets. The total amount to this vendor for office furniture exceeds \$2,500. The office furniture should be bid.) (R5)
- C7) Advance Payments - Payment made to a vendor before the goods are delivered or service performed should not occur on procurements over \$2,500. If an advance payment cannot be avoided, a Performance Bond equal to the amount of the advance payment may be required. "Notwithstanding, advance payments may be made as a deposit for the purchase of materials/services or, provide for in writing an agreement properly approved and executed by the City and subject to the limits specified within this policy."
- C8) Encumbrance of Funds - Except for Emergency procurements, all purchases that exceed \$2,500 require Department Head approval and the approval of the Finance Director who shall determine that there exists an unencumbered appropriation in the fund account against which said purchase is to be charged. Such determination shall be made before any commitment to the supplier is made. (R1) (R4)

- C9) Suspension and debarment - All contracts awarded over the small purchase threshold, and are funded by the federal agency must be checked for exclusion on the System Award Management (SAM). If a current exclusion of the SAM then the award will not be awarded. (R5)

INFORMATION & COMMUNICATION: *(This is necessary for the City to carry out their responsibilities and it must be identified captures, and communicated to all City personnel who hold responsibility for purchasing. Communication is both externally and internally. External communication includes department heads receiving proper training and relevant membership/access to grant compliance resources and procurement requirements. Internal information within the City must be communicated in all directions to allow employees to carry out day-to-day activities relating to purchasing.)*

- I&C1) Annually the Purchasing Policy should be reviewed and disbursed to all department's delegated managers/staff.
- I&C2) Annual audit (Single Audits or other agency specific audits) should be distributed and discussed each year with all departments regarding any purchasing findings, if applicable.
- I&C3) Any discrepancies found during the monitoring process should be discussed with related department heads and department staff.

MONITORING: *(This is an ongoing assessment and separate evaluation which tests whether the controls are being effective. Internal auditing within the City include sampling of transactions and testing of compliance.)*

- M1) Finance Department will review agenda/minutes from Council meetings for projects/contracts exceeding \$30,000 discussed/approved by Council.
- M2) Upon Notice of Completion requests, Finance Department will verify all invoices have been received and recorded by the Account Payable Clerk.
- M3) Upon Notice of Completion approval, Purchasing Division will verify corresponding purchase orders have been closed.

ASSESSING AND REPORTING MONITORING RESULTS INTERNALLY

- Purchase orders not provided to the Finance Department will be documented and reported to the Department Head responsible for the contract.
- Compliance issues noted will be documented and reported to the Finance Director, Department Head responsible for the contract, and the City Manager.
- Corrective action should be prepared and documented by the Department Head responsible for the contract and provided to the Finance Department and the City Manager.
- Based on deficiency, consider compensating controls that can prevent repeat findings.
- Each deficiency reported should be ranked as High, Moderate, or Low:
 - High Risk – Can result in a material finding and loss of City Funds.
 - Moderate Risk – Potential results can accumulate to a material issue over time.

- Low Risk – Errors more relate to loss of efficiency than material amounts.
- Consider corrections based on deficiency risk.

EMERGENCY PURCHASES

PURPOSE:

The purpose of this policy is to provide regulations for the emergency purchase of needed materials, repairs and services consistent with the provisions of the West Covina Municipal Code and City Purchasing Ordinances.

AUTHORITY:

Section 2-154 of the West Covina Municipal Code states, "In case of disaster which threatens the life or property of the people of the City, the City Manager is hereby empowered to award contracts and make purchases as may be necessary to meet such emergency, providing he shall file with the Council at the next meeting a certificate defining the emergency and the necessity for such action together with a detailed account of all expenditures."

POLICY:

The City of West Covina defines an emergency purchase as materials, repairs and services needed for the immediate preservation of health, safety and welfare of the people, repair to existing City equipment which impacts ongoing City operations, or for the protection of property, and that there is a present, immediate and existing emergency **which could not reasonably be foreseen.**

PROCEDURES:

- A. The emergency procurement of materials, repair and service needs, when identified as an emergency, shall be processed as follows:
 1. In advance of any commitment, a requesting Department Head (or authorized designee) should contact the Purchasing Division and explain the nature of the emergency and the account number to which the procurement will be charged. Identify the materials, repair or service needed along with the recommended vendor and an estimated cost.
 2. Based on the identified need, the Purchasing Officer may authorize the advance assignment of an Emergency Purchase Order Number, subject to later confirmation.
 3. Attaining an Emergency Purchase Order Number does not relieve the department requesting the order of its responsibility of obtaining the proper levels of purchasing approval. **Proper authorization shall be obtained at the earliest opportunity after the emergency has been addressed.**
 - a. Emergency procurements that exceed \$2,500 require an *Emergency Purchase Exceeding \$2,500* form signed by the City Manager (form is available on citywide drive). The form shall clearly describe the nature of the emergency, the amount of the expenditure, and the account number from which the purchase is being made.
 - b. The completed form and any applicable supporting documentation should be

forwarded to the Purchasing Division who will be responsible for obtaining the signature of approval from the City Manager.

- c. Emergency purchases over \$30,000 require City Council approval. It is the responsibility of the requesting department to complete and submit staff reports for emergency purchases that exceed \$30,000. Such approval should be obtained at the next Council meeting, but after the emergency has been addressed. Staff reports will define the nature of the emergency, the amount of the expenditure, and the fiscal impact.

B. Unauthorized Purchases:

1. Except where Department Heads may find it necessary to respond to an emergency situation at night, or during weekends and holidays, the Purchasing Division will not issue confirming POs for unauthorized commitments made by City employees.
2. With the above exception, obligating the City to an unauthorized purchase is prohibited. Any unauthorized purchases may constitute a personal liability to the employee and/or may give rise to disciplinary action, up to and including termination.

PROFESSIONAL AND CONSULTING SERVICES

PURPOSE:

To standardize the process to be followed for the retention of professional and consulting services so as to achieve the benefit and credibility of open competitiveness while recognizing the need to be able to retain services based on the quality, not solely the cost of the work; and to provide a structure for the control and reporting of services acquired so as to prevent violation of the Municipal Code, State law, and this policy.

POLICY:

Professional service procurement exceeding \$2,500 requires the submittal of a purchase requisition with documenting backup to the Purchasing Division and the issuance of a Purchase Order (PO).

PROCEDURES/CONTROLS:

The following procedures apply to applicable levels of procurement of professional/consultant services. It should be noted that in all cases, the department shall endeavor to obtain the lowest responsible cost established through a comparison of firms; retain only reliable and responsible firms; and shall, where possible and practical, utilize local firms. **A signed *Statement of Non-Collusion By Contractor* form must be received by the Purchasing Division before a purchase order is issued.**

- C1) Less than \$2,500** – For the retention of professional/consulting services less than \$2,500, the retaining department shall document the use of services via a time billing or letter agreement. (R6) (R8)
- C2) Greater than \$2,500 but less than \$30,000** – Where possible, a minimum of three (3) written price quotes shall be received and documented as backup. A purchase requisition shall be entered into the finance system and approved by the requesting department head. All backup should be forwarded to the Purchasing Division complete with a signed *Statement of Non-Collusion by Contractor* form (available on citywide drive). If the lowest cost proposal is not selected, the reason for the selection must be documented by memo and submitted to the Purchasing Division as backup before the procurement will be approved, and a PO issued. (R1) (R3) (R4) (R6)
 - a. If greater than \$2,500, but does not exceed \$20,000, must be approved by the requesting department head. (R6)
 - b. **\$20,001 to \$30,000** – A minimum of three (3) written quotations based on a written description of services shall be received. At a minimum, the retention of services shall be by written letter of retention and may be by formal contract. (See the Professional Service Agreement, available on the citywide drive that was prepared and approved by the City Attorney.) If the lowest cost proposal is not selected, the reason for the selection must be documented by memo and submitted to the Purchasing Division as backup along with the request for an approved PO. Within this category, the

requesting Department Head, the Finance Director, and the City Manager shall approve retention of professional/consulting services.

The approval by the Finance Director and City Manager should be obtained by filling out a requisition form and forwarding the form to Purchasing along with backup (including the Statement of Non-Collusion by Contractor form.) The Purchasing Division shall be responsible for obtaining the Finance Director's and City Manager's signatures. A PO will be issued once the approval of the City Manager is received by Purchasing. (R1) (R3) (R4) (R6) (R8)

- c. **Retention of professional/consultant service exceeding \$30,000 shall be by formal contract, and shall be approved by the City Council through a staff report that states the reason of retention along with the proposed source of funding.** After obtaining City Council approval, a purchase requisition will be completed and entered into the finance system, and a copy of the staff report along with a copy of the contract/agreement shall be forwarded to Purchasing as backup along with the Statement of Non-Collusion by Contractor form. (R1) (R3) (R4) (R6) (R7) (R8)
- d. The Purchase Order greater than \$30,000 requires the approval of the requesting Department Head, the Finance Director, and the City Manager. (R4)
- e. Staff reports or other forms of proof of appropriation, contract/agreement, and current expenditure status should be forwarded to the Purchasing Division. (R1) (R4)

Continuing Professional/Consultant Services – Departments should evaluate the potential use of professional/consultant services that may be required over the course of the year. Where it is anticipated that services in excess of the limits prescribed herein, departments should retain continuing service proposals wherever possible, particularly where services may exceed the levels requiring a formal contract. (R7)

Execution of Agreements – Pursuant to Section 40602 of the California Government Code

(R7) 40602. The Mayor shall sign:

- (a) All warrants drawn on the City Treasurer.
- (b) All written contracts and conveyances made or entered into by the City.
- (c) All instruments requiring the City seal.

The legislative body may provide by ordinance that the instruments described in (a), (b), and (c) be signed by an officer other than the Mayor.

Upon the effective date of any such ordinance, contracts and other instruments may be signed as set forth in the City Council's approval.

Finance Department Review:

The Finance Department shall require documentation to ensure that departments are complying with this policy beginning with its effective date. This will include letter of agreements and/or

contracts with the professional service provider(s). Professional service procurement exceeding \$2,500 requires the submittal of a purchase requisition with documenting backup to Purchasing and the issuance of a purchase order. In addition, the Finance Department shall periodically review the continuing use of consultants for compliance with the above policy and shall maintain a list of active contracts for auditor review.

SPECIFICATIONS

PURPOSE:

A specification is a written description of the specific product(s) or service to be procured. The purpose of a specification is to serve as a basis for obtaining supplies, service or equipment adequate and suitable for the City's needs in a cost-effective manner while, to the extent practicable, taking into account the cost of ownership and operation as well as the initial cost of acquisition. Specifications are an integral part of every City formal bid (bids for goods or service that exceed \$2,500 or Public Works contracts). Simply speaking, specifications describe the goods or service that the City wants to purchase.

POLICY:

Specification must be drafted with the objective of clearly describing the City's requirements. It is the policy of the City that specifications permit maximum practicable competition consistent with this purpose. The City procures standard commercial products. In developing specification, accepted commercial standards shall be used, and to the extent possible, unique requirements shall be avoided.

PROVISIONS:

It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

- A. Performance Specifications – To the extent practicable, specifications shall emphasize functional or performance criteria and limit design or other detailed physical descriptions to those necessary to meet the needs of the City.
- B. Brand Name Specifications – Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the City desires and are not intended to limit or restrict competition. If a brand name is incorporated into a specification, whenever possible a minimum of two (2) acceptable brands shall be listed and shall be followed by the words “or equivalent” stating that equivalent products to those designated may be considered for award. Using specifications provided by a specific manufacturer should be avoided. However, if used, the name of the manufacturer, model number, etc. should be indicated. The bid document shall clearly state that the use of the manufacturer's specifications is for the sole purpose of establishing the level of quality desired. The City of West Covina reserves the sole right to determine and approve any product submitted as an “or equal.”
- C. Vendor Assistance in Writing Specifications – On rare occasion, vendor assistance may be required to develop a specification. The City may utilize the service of technical, financial and legal experts in preparing specifications, bid/proposal evaluation, contract preparation and inspection services. Such specifications shall be written in general terms, and the vendor shall be informed that the information provided may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given

any preference over other bidders.

- D. Specification Preparation - Purchasing shall prepare any bid specification after the requesting department supplies a complete Scope of Work/Service or description of item(s) to be purchased. Terms and conditions are a part of every purchasing specification. To best serve the City of West Covina, Purchasing reserves the right to add boilerplate language to any specification.
- E. Draft Specifications – Before the specifications are let out to bid, final approval of the specifications shall be obtained from the using department/division and the department/division responsible for maintaining the item(s).

PUBLIC WORKS CHANGE ORDERS

PURPOSE:

Policy and procedures have been standardized for handling change orders for Public Works contracts (“Public Works PO”) that are most appropriate and in the best interest of the City of West Covina.

DEFINITION:

A Change Order (“CO”) is an authorized amendment to a previously approved Public Works PO.

AUTHORITY:

Change Orders (“COs”) in general are not specifically addressed nor authorized in the West Covina Municipal Code, other than by reference to the Standard Specifications for Public Works Construction. With respect to Public Works’ contracts, the City of West Covina adopted Ordinance 2237, which replaced Section 19-1 of the West Covina Municipal Code in its entirety to read as follows:

“Sec. 19-1 Standard Specifications for Public Works Construction adopted.

Subject to the condition hereinafter set forth in this section, that certain code entitled “Standard Specifications for Public Works Construction,” 2012 Edition, written and promulgated by the Public Works Standard, Inc., a mutual benefit corporation, consisting of a published compilation of a uniform set of specifications, updated and embracing the most modern materials and construction techniques for public works construction, adopted by the County of Los Angeles, an agency for the State, one full printed copy of which, printed as a code in book form, was by the City Council ordered filed and which has been filed in the Office of the City Clerk, and which, as so on file, is hereby referred to and by this reference expressly incorporated therein and made a part hereof as fully and for all intents and purposes as though set forth herein at length, shall be and the same is hereby adopted and established as the specifications, rules, regulations, standards, contracts, permits and provisions which shall govern and apply to and be observed in the construction, alternation, installation, repair, removal, and demolition of public works within the City or by the City as to all matters therein set forth; subject, however, to the condition that whenever any provision of such standard specifications hereby adopted conflicts with any other provision or requirement of the Municipal Code and City's Standard Plans, such other provision or requirement shall apply.”

The “Standard Specifications for Public Works Construction,” 2012 Edition is also known as the “Greenbook,” which has the following definitions:

- “Agency” is the legal entity for which the Work is being performed. The “Agency” is therefore the “City of West Covina.”
- “Board” is the officer or body constituting the awarding authority of the Agency. The

“Board is therefore the “City Council.”

- “Engineer” is the Chief Engineer, Director of Public Works, or other person designated by the Board, acting either directly or through authorized agents. The “Engineer” is therefore the “Public Works Director or any other individual designated by the City Council.”

Section 2-10 (Authority of the Board and the Engineer) of the Greenbook states (*italics added*):

“The Board (*City Council*) has the final authority in all matters affecting the Work. Within the scope of the Contract, the Engineer (*Public Works Director*) has the authority to enforce compliance with the Plans and Specifications, The Contractor shall promptly comply with instructions from the Engineer.

The decision of the Engineer is final and binding on all questions relating to: quantities; acceptability of material, equipment, or work; execution, progress or sequence of work; and interpretation of the Plans, Specifications, or other Contract Documents. This shall be precedent to any payment under the Contract, unless otherwise ordered by the Board.”

Section 3-2.1 (General) of the Greenbook states:

“The Agency may change the plans, specifications, character of the work, or quantity of work provided the total arithmetic dollar value of all such changes, both additive and deductive, does not exceed 25% of the Contract Price. Should it become necessary to exceed this limitation, the change shall be by written Supplemental Agreement between the Contract and Agency, unless both parties agree to proceed with the change by Change Order.”

POLICY:

It is sometimes necessary to change a Public Works PO after it has been executed. All department heads shall be responsible to properly administer all contracts pertaining to their respective departments in order to ensure completed work product/purchase and to minimize potential cost increases. The Public Works Director shall review, document and recommend/approve all requests for COs, and shall be responsible and held accountable for any unnecessary increases, proper documentation and/or subsequent approvals. The Public Works Director shall review and approve any and all requests for increases in COs prior to authorizing the additional work or purchase to proceed. Under no circumstance will the Public Works Director allow any additional work or purchase to proceed without obtaining all necessary and required approvals. It shall be the duty and obligation of all City employees and the respective department head to minimize and eliminate change orders as much as possible. Unless otherwise authorized by City Council (by contract, resolution or award of purchase, etc.), Purchasing may issue a formal CO based on the following limits:

1. COs are limited to 10% of the total contract amount subject to the limitations set forth herein. (To prevent a work stoppage or an emergency, the Public Works Director or authorized department head may recommend that the City Manager approve a CO to a construction project exceeding 10% of the initial project providing that City Council

approval is obtained at the earliest opportunity.) The Public Works Director or authorized department head shall be responsible to administer all respective and related contracts to minimize cost increases, shall review, document and then approve all requests for COs, and shall be responsible and accountable for any unnecessary increases, improper documentation and/or subsequent approvals.

2. COs in excess of 10% in which the total aggregate amount is over \$10,000 and under \$30,000 may be approved by the Finance Director and City Manager and do not require City Council approval. The Public Works Director is responsible for reviewing, approving, documenting and justifying any COs.
3. City Council shall approve all increases or COs that exceed 10% of the original Council approved contract amount (over \$30,000). The Public Works Director is responsible for reviewing, approving, documenting and justifying any COs.
4. The Public Works Department shall include in the award of contract/purchase for any public improvement or construction projects, a reasonable contingency not to exceed 10% or any other reasonable percentage justified by the department head and approved by the City Council. As many public improvement projects are significant in costs, any CO's over the contingency shall require City Council approval for the increase and fund appropriation. The Public Works Department shall not increase or add projects for unused fund appropriations to circumvent the purchasing and bidding policies of the City.
 - a. Any COs that do not exceed the contingency amount included at the time the contract was awarded and approved by the City Council do not require City Council approval. The Public Works Director is responsible for reviewing, approving, documenting and justifying any COs.
 - b. Contingency amounts approved by City Council for any projects are not to be included in the Purchase Order and shall be approved by completing a CO.

PROVISIONS:

- A. An authorized CO shall be obtained prior to committing the City to any or additional financial obligations. The finance system (Eden) establishes a clear audit trail by allowing a CO to be issued against an existing Public Works PO using the original purchase order number. Requesting departments initiate a CO by filling out a *Change Order Authorization* form (see attached form) and having it signed by the requesting department head. Please note the nature of the requested CO on the form, and forward the completed form to Purchasing.
 - B. It is the aggregate of the original Public Works PO plus the amount of the CO that determines the level of approval.
1. **When the sum of the CO and original Public Works PO does not exceed \$20,000**
Only the approval of the department head is required. Forward a *Change Order Authorization* form to Purchasing complete with the Public Works Director's signature. Purchasing will enter the CO into Eden.

$CO + PO \leq \$20,000$ = Public Works Director Approval only

2. **When the sum of the CO and Public Works PO is greater than \$20,000** – The Finance Director and City Manager must approve any CO that brings the aggregate Public Works PO to an amount that exceeds \$20,000. Forward a completed *Change Order Authorization* form to Purchasing, approved by the Public Works Director, and Purchasing will obtain the signatures of the Finance Director and City Manager. Once the CO is approved, Purchasing will enter the CO into Eden.

$CO + PO \geq \$20,001$ = requires Public Works Director, Finance Director and City Manager approval

3. **When the CO is less than 10% of the Public Works PO and does not exceed \$30,000**
The City Manager may approve COs up to \$30,000 as long as the CO does not exceed 10% of the original order, except in an emergency. The aggregate of the CO and the Public Works PO may not exceed \$30,000. The Public Works Director shall complete and approve the *Change Order Authorization* form, which shall be forwarded to Purchasing who will obtain the signatures of the Finance Director and City Manager. Once the CO is approved, Purchasing will enter the CO into Eden. The Public Works Director must provide all proper documentation as to the justification for the CO. The CO is not considered to be approved and work authorized until signed off by the Public Works Director, Finance Director, and City Manager.

$CO (\leq 10\% \text{ of Public Works PO}) + \text{Public Works PO} > \$30,000$ = requires Public Works Director, Finance Director, and City Manager approval

4. **When the CO is more than 10% of the Public Works PO and less than \$30,000** – A CO in excess of 10% of initial contract amount requires a written Supplemental Agreement between the Contractor and Agency, unless both parties agree to proceed with the change by CO. The Public Works Director is responsible for reviewing, approving, documenting, and justifying any COs.

$CO (> 10\% \text{ of Public Works PO}) + \text{Public Works PO} < \$30,000$ = requires Public Works Director, Finance Director, and City Manager approval

5. **When the amount of the CO and Public Works PO exceeds \$30,000** - Except for when otherwise authorized by City Council, the City Council must approve any CO that would increase the total contract price to be equal to or exceed \$30,000. It is the requesting department's responsibility to administer any contract or agreement, to further minimize any need for a CO, and to obtain Council approval of a CO. Purchasing will enter the CO into Eden once it receives the *Change Order Authorization* form with a copy of the staff report and resolution approved by the City Council.

$CO + \text{Public Works PO} \geq \$30,000$ = City Council approval

6. **When the Public Works PO exceeds \$30,000 and is awarded by the City Council with or without a Contingency** – The Public Works Director may include a contingency of 10% to the original contract amount with appropriate necessary funding to cover any such contingency on any contract to be awarded by the City Council. Any increase in cost that exceeds the total amount originally approved by City Council (including contingencies) requires the approval of the City Council.

CO + Public Works PO > Public Works PO + Contingency approved by City Council = City Council approval

CO (reduction in price, purchase and/or scope of work) plus Public Works PO < original contract amount awarded by City Council = requires Public Works Director, Finance Director and City Manager approval. *

*City Council approval shall be required if the scope of work is changed which alters the overall clear intent and/or direction of the City Council.

AMENDMENTS TO PURCHASE ORDERS

POLICY:

It is sometimes necessary to change a PO after it has been executed. All department heads shall be responsible to properly administer all contracts pertaining to their respective departments in order to ensure completed work product/purchase and to minimize potential cost increases. The department head shall review, document and recommend/approve all requests for amendments, and shall be responsible and held accountable for any unnecessary increases, proper documentation and/or subsequent approvals. Department heads shall review and approve any and all requests for increases in POs prior to authorizing the additional work or purchase to proceed. Under no circumstance will the department head allow any additional work or purchase to proceed without obtaining all necessary and required approvals. It shall be the duty and obligation of all City employees and the respective department head to minimize and eliminate change orders as much as possible. Unless otherwise authorized by City Council (by contract, resolution or award of purchase, etc.), Purchasing may issue a formal amendment based on the following limits:

1. Amendments are limited to 25% of the total contract amount subject to the limitations set forth herein. (To prevent a work stoppage or an emergency, the Public Works Director or authorized Department Head may approve an amendment to a project exceeding 10% of the initial project providing that City Council approval is obtained at the earliest opportunity.) The authorized Department Head shall be responsible to administer all respective and related contracts to minimize cost increases, shall review, document and then approve all requests for amendments, and shall be responsible and accountable for any unnecessary increases, improper documentation and/or subsequent approvals.
2. Amendments in excess of 25% of the original contract/PO amount, must be approved by the City Council if the aggregate of the amendment and the PO would be more than \$30,000. The appropriate Director shall be responsible for reviewing, approving and documenting any amendments.
3. Formal amendments will not be required for small dollar amounts (not to exceed 25% of the original order), such as sales tax, shipping or professional service reimbursable. Upon timely receipt, Accounts Payable will pay such invoices once they are approved by an authorized signature and coded with a correct account number.

PROVISIONS:

- A. An authorized amendment shall be obtained prior to committing the City to any or additional financial obligations. The finance system (Eden) establishes a clear audit trail by allowing an amendment to be issued against an existing order using the original purchase order number. Requesting departments initiate an amendment by filling out a *Purchase Order Amendment Authorization* form (see Citywide drive) and having it signed by the requesting department head. Please note the nature of the requested amendment on the form, and forward the completed form to Purchasing.

- B. It is the aggregate of the original PO plus the amount of the amendment that determines the level of approval.

1. When the sum of the amendment request and original PO does not exceed \$20,000

Only the approval of the department head is required. Forward a *Purchase Order Amendment Authorization* form to Purchasing complete with the Department Head's signature. Purchasing will enter the revision to the PO into Eden.

$PO + \text{Amendment} \leq \$20,000 = \text{Department Head approval only}$

2. When the sum of the amendment and PO is greater than \$20,000 – The Finance Director and City Manager must approve any amendment that brings the aggregate PO to an amount that exceeds \$20,000. Forward a completed *Purchase Order Amendment Authorization* form to Purchasing approved by the requesting Department Head, and Purchasing will obtain the signatures of the Finance Director and City Manager. Once the amendment is approved, Purchasing will enter the revision to the PO into Eden.

$PO + \text{Amendment} \geq \$20,001 = \text{requires Department Head, Finance Director, and City Manager approval.}$

3. When the amendment is less than 25% of the PO and the total does not exceed \$30,000 - The City Manager may approve amendments as long as the amendment does not exceed 25% of the original order and the aggregate of the amendment and the PO may not exceed \$30,000. A Department Head approving the *Purchase Order Amendment Authorization* form shall forward to Purchasing who will obtain the signatures of the Finance Director and City Manager. Once the amendment is approved, Purchasing will enter the revision to the PO into Eden. The Department Head must provide all proper documentation as to the justification for the amendment. The amendment is not considered to be approved and work authorized until signed off by the Department Head, Finance Director, and City Manager.

$\text{Amendment} (\leq 25\% \text{ of PO}) + PO \leq \$30,000 = \text{requires Department Head, Finance Director, and City Manager approval}$

4. When the CO is more than 25% of the PO and less than \$30,000 – A CO in excess of 25% of initial contract amount requires a written Supplemental Agreement between the Contractor and Agency, unless both parties agree to proceed with the change by CO.

$CO (> 25\% \text{ of PO}) + PO < \$30,000 = \text{requires Department Head, Finance Director, and City Manager approval}$

5. When the amount of the amendment and PO exceeds \$30,000 - Except for when otherwise authorized by City Council, the City Council must approve any amendment that is equal to or exceeds \$30,000. It is the requesting department's responsibility to administer any contract or agreement, to further minimize any need for an amendment, and to obtain Council approval of an amendment. Purchasing will enter the amendment into Eden once it receives the *Purchase Order Amendment Authorization* form with a

copy of the staff report and resolution approved by the City Council.

Amendment + PO \geq \$30,000 = City Council approval

6. **When the PO exceeds \$30,000 and is awarded by the City Council with or without a Contingency** – The Department Head may include a contingency of 10% to the original contract amount with appropriate necessary funding to cover any such contingency on any contract to be awarded by the City Council. Any increase in cost that exceeds the total amount originally approved by City Council (including contingencies) requires the approval of the City Council.

Amendment + PO > Total authorized by City Council = City Council approval

Amendment (reduction in price, purchase and/or scope of work) plus PO < original contract amount awarded by City Council = requires Department Head, Finance Director and City Manager approval. *

*City Council approval shall be required if the scope of work is changed which alters the overall clear intent and/or direction of the City Council.

CREDIT CARD PURCHASES

PURPOSE AND GOALS:

The Purchase Card (P-Card) Program for the City of West Covina (City) employees provides an efficient, cost effective method of purchasing and paying for small-dollar transactions. The Program is designed to reduce numerous processes, such as petty cash, low-dollar checks, and small-dollar purchase orders. These procedures provide the guidelines for use.

- a) The P-Card is similar to a standard charge card, except payment is made by the City.
- b) The P-Card is only allowed to be used by the employee it's assigned to.
- c) The P-Card allows you to purchase goods and services directly from vendors when the transaction does not exceed \$2,500. Travel expenses (conference registration, airline tickets, hotel, and car rental) are exempt from the \$2,500 transaction limit. It is against this policy to split the cost of the purchase in order to bypass the purchase limit.
- d) Each card is the property of the City and is to be used **ONLY** for City purchases as defined in this policy.
- e) All P-Card holders must have a completed Signature Authorization Form on file with the Finance Department.

Using the P-Card:

We strongly recommend that at least one person in each department have a P-Card and all departments are encouraged to use their P-Cards for all orders under \$2,500. The P-Card eliminates the need to submit requisitions, subsequently reducing repetitive tasks and paperwork. All P-Card holders must comply with these guidelines and holders will be personally responsible for charges not in compliance with these guidelines.

The card can be used for conference registrations, travel expenses (flights, vehicle rentals, hotels, and meals), seminars, subscriptions, dues, publications, supplies and services.

Restrictions:

The card may not be used for items on City contracts, or any products or services considered an inappropriate use of City funds. If an item being purchased is in question as to it being allowed, contact the Purchasing Manager for guidance prior to making such purchase.

The following items are prohibited but should not be considered a complete list:

- alcoholic beverages
- tobacco products
- greeting cards
- cash advances
- charitable contributions

- firearms
- furniture (any kind)
- hazardous chemicals
- political contributions
- prescription drugs
- renovation/construction services
- security systems
- donations

Gift cards and awards are allowed under the Use of Public Funds Policy. These items are only to be purchased by Finance after approval by the City Manager.

Billing Reconciliation and Verification:

Individual card holders are responsible for completing the monthly P-Card Reconciliation Form (available on citywide drive). The monthly cardholder statement received from the Card issuer will detail charges made during the previous billing cycle. The statement and receipts are to be attached to the completed P-Card Reconciliation Form and routed for approval.

A. Reconciliation Process:

The cardholder is required to reconcile each charge on the statement to the corresponding original itemized receipt, each month within seven days of receipt of the s t a t e m e n t .

- The monthly statement and all original itemized receipts corresponding to transactions listed thereon are to be attached to the P-Card Reconciliation Form.
- The business purpose of each expense should be noted in the space provided on the P-Card Reconciliation Form.
- If the recipient of the goods and/or services is different than the cardholder, then the recipient should sign the receipt, packing slip, or other d o c u m e n t a t i o n .
- The cardholder and supervisor must sign and date the P-Card Reconciliation Form and then route it to Purchasing for review.
- The P-Card Reconciliation Form requires the approval of the immediate supervisor and Department Head or designee for all employees. In the case of a Department Head's expenses, the approval of the City Manager is required and in the case of the City Manager, the approval of the Mayor is required.
- Finance will review the P-Card Reconciliation Form. Once all charges have been verified, the expenditures will be posted to accounts in Eden via the monthly wire register.

B. Disputing a Charge:

Disputed billing can result from failure to receive goods or services, fraud, incorrect amounts, duplicate charges, etc. The cardholder should contact the supplier first to resolve any outstanding issues. Contact the credit card issuer in case of any unresolved dispute.

Note that, by law, suppliers are not allowed to bill your card for purchases until the items have been shipped.

C. Returning Item(s):

It is essential that the supplier be contacted for a return authorization. Items should be returned directly to the supplier by whichever means the supplier requires. Retain supporting documentation on file. The cardholder is responsible for ensuring that proper credit is posted for any returned item(s).

D. Termination/Cancellation of the Purchasing Card:

Purchasing cards may be cancelled if a department or individual does not comply with policies and procedures stated in this document.

E. Lost/Stolen Card:

Immediately notify the credit card issuer and the Purchasing Manager if the card is lost or stolen.

F. Payment to Card Issuer:

The Card issuer will do an automatic draft from the City's main checking account. This draft will correspond to the charges that were made during the last cycle. This draft will be completed the day after the invoice is created in order for the City to maximize the offered rebate.

G. New Card Implementation:

To request a Card, a New Purchase Card Request Form (available on citywide drive) needs to be completed and transaction levels approved. In addition, a Cardholder Agreement Form (available on citywide drive) needs to be completed and approved.

H. Request for Single Transaction Limit Increase:

By design, the single transaction limits are capped at \$2,500. From time to time it may be necessary to increase on a temporary basis. If the need arises, complete the Temporary Increase Request Form (available on citywide drive) and route for approval.

Once the final approval has been received, Finance will contact the card issuer and increase the single transaction limit for a temporary set time frame. This limit increase needs to be for a specific defined purchase that is clearly explained on the form.

FUEL CARD PROGRAM

PURPOSE:

To promote operational efficiency, purchases of unleaded and diesel fuel may be made using the credit card. The following policy and procedure are established to insure internal control and timely payment of charges.

POLICY:

The City provides a universal fuel card system that allows authorized employees to fuel City vehicles at most major retail gas stations, other than Arco and small independent stations, located in West Covina and throughout California. The use of the fuel card is restricted to **official City business and may not be used for personal purchases. Use of the card is restricted to the purchase of fuel only.** Any misuse of the card will result in disciplinary action, up to and including termination. The basic purchasing policy of the City of West Covina is to obtain quality supplies, services, and equipment needed for the proper operation of its various departments at the lowest possible cost. In keeping with this policy, every effort should be made to purchase fuel at West Covina stations whenever possible at the lowest possible price. Except for motorcycles that use a higher-octane gasoline, the purchase of unleaded gasoline will be limited to regular, 87 octane.

PROVISIONS:

1. Card Limits - Use of the City's card is limited to **fuel purchases only** specifically related to City business for a **maximum purchase not to exceed \$150/purchase**. Using the City credit card for personal purchases is not permitted. Based on a sample of past bills for fuel usage, each card is restricted by a daily transaction limit and a monthly spending limit. In most cases, cards are limited to three (3) transactions per day and a monthly limit of \$1200.
 - a) If necessary, the card system will allow a driver up to one additional transaction per day beyond the limit shown and one additional fueling beyond the monthly spending limit. The card will block usage beyond this "soft" limit.
 - b) If fuel consumption or cost patterns indicate that the limits are too low, adjustments to the card limits can be made by a Department Head (his/her designee) sending a request in writing to Fleet Operations or the Purchasing Division.
2. Card assignment - fuel cards will be assigned to all City vehicles, and individual cards will be kept in each vehicle.
 - a) Any authorized employee may use the card assigned to a City vehicle. A list of employees authorized to drive/fuel City vehicles is maintained in Finance and Fleet Operations.
 - b) The card shall only be used to fuel the vehicle to which it is assigned. Employees shall not use the card to fuel any other vehicle except the one to which it is assigned, and employees shall not fuel multiple vehicles at the same time using one card.

- c) A sign out/in log must be used every time a department issued fuel card is checked out. That log must be made available to fleet operations upon demand.
 - d) Department Heads may request the addition/deletion of authorized employees by contacting Purchasing, ext. 8443 or Fleet, ext. 8789.
 - e) Inappropriate use of the fleet card may result in disciplinary action, including termination of employment and criminal action.
3. Card Instructions – The following directions are provided to aid employees with step-by-step instructions for using the fuel card.
- a) If the gas station has a card reader located at the pump, swipe your card once. (DO NOT swipe your card multiple times as this will cause the card to lock out any additional transaction.)
 - b) If the pump terminal prompts you to choose either “Credit” or “Debit,” press the **“Credit”** key.
 - c) The terminal should then request your “DRIVER ID” number or “PIN” number. Your DRIVER ID and PIN are the same 6-digit numbers. The numbers consist of your 2-digit department number plus your Employee number. (Use 0 between department and employee number so that the PIN number totals six digits.)

 Example: John Doe is employee #343. He works for Police, department 31. His DRIVER ID/PIN # is therefore 31 (Department) + 0 (extra digit) + 343 (employee #) = 310343
 - d) Finally, the terminal will ask you to enter the ODOMETER reading. Enter your odometer as a whole number. DO NOT enter tenths of miles.
 - e) Because all terminals are different, you may be required to enter the information in a different order. Simply follow the instructions on the terminal to process your transaction.
 - f) If there are no pump card readers, or if the card reader will not accept the card, see the attendant inside to process your fuel transaction. If the station attendant cannot process the transaction electronically, then a manual receipt should be issued.
 - g) If the sale must be processed manually, write your DRIVER ID/PIN #, the UNIT # and ODOMETER reading on the receipt. If your card cannot be read at any location, the magnetic strip may be damaged. Request a replacement card from your fleet manager:
 Fleet - (626) 939-8789 or Purchasing – (626) 939-8443.
 - h) If the station attendant has questions, he/she may call the Customer Service number on the back of the card.

- i) Before leaving the vehicle, verify that the card has been returned to its correct place within the vehicle.
- 4. **Lost or Stolen Cards – A lost or stolen card must be reported to the Fleet Manager immediately. Contact Fleet Operations at (626) 939-8458 or Purchasing Division at (626) 939-8443. The Fleet Manager will notify Fleet Systems.**

LOCAL VENDORS

PURPOSE:

It is to the City's advantage to promote and maintain good relations with all vendors and to utilize local West Covina suppliers whenever feasible to do so. The purpose of this policy is to assure that West Covina businesses are solicited whenever there are potential sources of supplies, equipment and professional services; and to encourage all departments to consider West Covina businesses whenever purchasing goods.

POLICY:

The primary goal of the purchasing process is to get the very best value for the City considering a combination of factors including price, quality, and terms. Departments will make a reasonable effort to give West Covina businesses an opportunity to participate in all procurements for goods and services.

- A. It is the intention of the City to place as many City procurements with local West Covina suppliers as practicable.
- B. In determining the lowest responsible bidder, the City will take into consideration the sales tax that will be returned to the City as a result of the award. The West Covina municipal Code, Article VII, Division 2, Section 2-330 (d) states, "With respect to those bids relating to the purchase of items subject to state sales tax, the term "lowest responsible bidder" shall be deemed to include a one (1) percent discount with a maximum of \$1000 for local vendors in the computation of bids in order to reflect the advantages that accrue to the City by the award of bid to a local vendor."
- C. Local vendors shall be given preference in the event of a tie bid. The West Covina Municipal Code, Article VII, Division 2, section 2-333 (g) states, "If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest would not be promoted by re-advertising for bids, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of bid opening. In case of a tie, preference shall be given to local bidders."
- D. In those cases where bids are not required (discretionary purchases), the advantages local vendors offer by their close proximity and the corresponding positive impact to the local economy should be considered as part of the purchasing decision.

PROCEDURE:

To insure as much participation as possible by West Covina suppliers, the following affirmative steps shall be taken:

1. Locate local vendors – When procuring goods, City departments shall seek out qualified, local vendors to participate in the procurement process. At a minimum, this effort shall include:
 - a) A review of the current telephone yellow pages

- b) Current bid lists
 - c) Any internal directory of local vendors that may be available
 - d) An internet search, if available
2. Maintain and periodically update qualified West Covina businesses on a Bidders list.
 3. Insure that public notices for formal bids are published in a newspaper of local circulation, and that such notices are listed on the City's web site.
 4. If subcontractors are to be used, encourage contractors to make a good faith effort to subcontract with businesses located in the City of West Covina.
 5. West Covina employees shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity by demonstrating fairness, integrity, and courtesy in all vendor relations.

INVOICE PAYMENTS

PURPOSE:

The purpose of this policy is to establish written procedures for all authorized payments either by demand or purchase order. The Finance Department shall then issue checks to pay various vendors in a timely manner.

POLICY:

All invoices shall be mailed directly to Accounts Payable (A/P). All requests for payments from A/P shall be by either an authorized demand or purchase order. To ensure that vendors receive payment within the City's prescribed net 30-day term, invoices must be received by A/P in a timely manner, coded, and approved. (An A/P Demand Schedule is posted and available upon request.) It is the responsibility of the department to ensure that invoices are properly coded and approved by the Department Head or his/her designee.

PROVISIONS:

1. Purchase Order Payments

The invoice shall be signed by the Department Head (or his/her designee), and it must be coded with the proper account number(s) and PO if applicable. The Department Head's signature denotes that the item(s)/service was received and that the invoice may be paid.

2. Demand Payments

After being approved by the Department Head and coded for payment, the original invoice and any supporting documentation should be forwarded to Accounts Payable.

SURPLUS CITY PROPERTY

PURPOSE:

The purpose of this policy is to establish uniform procedures for the disposition of City property that is most appropriate and in the best interest of the City of West Covina.

DEFINITION:

“Surplus property” is used to describe any City supplies or equipment that has become obsolete or worn out, or is no longer needed or useable by the holding department. Surplus Property does not include “real property.”

POLICY:

A Department Head may declare any city-owned property as surplus by submitting a *Surplus Property* form to purchasing (available on citywide drive). The Purchasing Officer shall dispose of said equipment in the most appropriate manner that is in the best interest of the City of West Covina after notifying all departments of the supplies/equipment that may be of use in another department.

PROVISIONS:

1. A *Surplus Property* form shall be completed and submitted to the Purchasing Officer for any supplies/equipment that is/are deemed to be obsolete or worn out, or is/are no longer needed or useable by the department. The report shall contain the quantity, description, serial number, City I.D. number, location and condition of the equipment or supplies.
2. Any item with an estimated value of \$250 or more requires City Council approval prior to sale. The Purchasing Officer shall inform the City Council of the nature of the property proposed for disposition and the recommended disposition thereof.
3. The Purchasing Officer shall post a list of serviceable surplus items so that all departments may review the list and determine if something on the list may be useful to another department.
4. The Purchasing Officer or designee shall approve one of the following methods of disposition that is most appropriate and in the best interest of the City.
 - a) Transfer – Surplus property may be transferred between City departments. After physically inspecting any item that is posted on the list of surplus equipment, a department may request that the item(s) be transferred into that department by submitting a written request to the Purchasing Officer.
 - b) Trade-In – Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted for the review and approval of the Purchasing Manager. If surplus property is to be applied to a purchase order, the trade-in value shall be itemized on the P.O.

- c) Public Auction – Surplus property may be sold at public auction. The City may contract with a professional auctioneer including professional auction services. City employees may not bid or purchase surplus equipment (WCMC, Sec. 2-317, Sale of Surplus Supplies and Equipment).
 - d) Disposal – Surplus property may be offered for sale by the Purchasing Officer by posting a legal ad in a newspaper of general circulation. All surplus property is for sale “AS IS” with no warranty, guarantee, or representation of any kind, express or implied, as to the condition, utility or usability or the property offered for sale.
 - e) Sealed Bids – Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
 - f) Selling for Scrap – Surplus property may be sold as scrap if the Purchasing Officer deems that the value of the raw material exceeds the value of the property as a whole.
 - g) Negotiated Sale – Surplus property may be sold outright if the Purchasing Officer determines that only one known buyer is available or interested in acquiring the property.
 - h) Disposal as Junk – If the Purchasing Officer determines that any such obsolete, unserviceable, or surplus property has no salvage value or is unsafe, it may be disposed of in any acceptable manner.
 - i) Donation/Gifts – Surplus property may be given to any fraternal, benevolent, patriotic, charitable or religious organization not organized for profit, or to any other public agency. Any such gift requires City Council approval.
 - j) Surplus items with an estimated value of less than \$250 may be sold to employees.
5. The proceeds from sale of any surplus City Property, less direct costs from any sale, shall be returned to the general fund revenue account “Proceeds from Auction” unless otherwise stipulated or federally funded property. Federally funded property need to adhere to surplus property requirements set forth in the grant management policy

CONTRACT DOCUMENTS

PURPOSE:

The purpose of this policy is to establish uniform procedures for the preparation, presentation and execution of city and contract documents.

POLICY:

All ordinances, resolutions and contract documents (agreements) shall be examined and approved by the City prior to presentation to the City Council. Pursuant to Section 2-22 of the West Covina Municipal Code, adopted by Ordinance No. 1835:

“All ordinances, resolutions and contract documents shall, before presentation to the Council, have been approved as to form and legality by the City Attorney, or his or her authorized representative and shall have been examined and approved for administration by the City Manager or his or her authorized representative, where there are substantive matters of administration involved.”

The Department Head shall be responsible to ensure that the documents properly reflect the purpose and intent of the contract document.

The City Attorney shall review and sign all documents (resolutions, ordinances, contracts and agreements) for proper legal content and form (approve as to form).

The Mayor shall execute all applicable contracts and agreements, unless otherwise provided for by ordinance, pursuant to Section 40602 of the California Government Code. In the absence of the Mayor, the Mayor Pro Tem shall fulfill the Mayor's duties pursuant to Section 40601 of the California Government Code.

PROCEDURE:

1. The department head shall prepare all necessary documents and/or seek assistance from the City Attorney to prepare such documents. The Department Head is responsible to ensure that the documents properly and clearly state the scope of work, timeframe work or product is to be delivered, and compensation.
2. The department head shall submit all resolutions, ordinances and/or documents (including contracts and agreements) to the City Attorney for review and approval as to form, prior to presentation to the City Council.
3. The Department Head shall submit a complete draft staff report that includes all attachments, including but not limited to resolutions, ordinances and contracts/agreements for review and approval, prior to presentation to the City Council.
4. The Department Head shall obtain at least the execution of one original document indicating that contracting party has agreed to the terms and conditions of the proposed

contract/agreement, prior to presentation to the City Council.

5. Upon approval, the Department Head shall submit three (3) executed agreements to the City Clerk to obtain City signatures.
6. Upon execution, the City Clerk shall retain one (1) copy and send the remaining two (2) copies to the Department Head. The Department Head is to retain one copy for the department's file and send one copy to the contracting company/individual.
7. The Department Head shall authorize the commencement of work/purchase upon receiving a copy of executed contract/agreement by issuance of a Purchase Order and all necessary bonding and insurance from contractor.

ENVIRONMENTALLY PREFERABLE PURCHASING

PURPOSE:

To establish purchasing practices that, to the maximum extent practical, will assure the procurement of environmentally preferable products to comply with the State of California Public Contract Code.

POLICY:

Section 12400 of the Public Contract Code states, “environmentally preferable purchasing” means the procurement of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose. This comparison shall take into consideration to the extent feasible, raw material acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, product performance, durability, safety, the needs of the purchaser, and cost.

It is the intention of the City to practice environmentally preferable purchasing whenever practicable when procuring goods and services. Purchasing preference shall be given to environmentally preferable products/service when the following criteria applies.

1. The product/service meets applicable standards and can be substituted for a comparable non-environmentally preferable product/service.
2. The product/service can be competitively bid.
3. The product/service costs no more than a comparable non-environmentally preferable product/service. An exception can be made if the benefits (cost savings) of an environmentally preferable product justify a reasonably higher cost.

PROCEDURE:

Procurement of all products with a total value exceeding \$2,500 requires departments obtaining the lowest responsible bid from a minimum of three (3) companies. To insure a much participation as possible to supplies of environmentally preferable products, the following affirmative steps shall be taken:

- A. Maintain and periodically update qualified suppliers of environmentally preferable products on a Bidders List.
- B. Departments will make a reasonable effort to obtain pricing for environmentally preferable products by specifying product compliance with existing, nationally recognized, environmentally friendly standards such as Energy Star, Green Seal, and ISO 14000.

COOPERATIVE CONTRACTS / PIGGYBACKING

PURPOSE:

The use of cooperative procurement contracts is to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices and the reduction of administrative time and expenses.

Examples of cooperative procurement contracts are: NJPA, NIPA, HGACBUY, US Commodities, WSCA-NASPO.

POLICY:

Piggybacking is a form of intergovernmental cooperative purchasing in which an agency will be extended the same pricing and terms of a contract entered into by another agency. Generally, the originating agency will competitively award a contract that will include language allowing for other agencies to utilize the contract which may be to their advantage in terms of pricing.

PROCEDURE:

Cooperative Contracts / Piggybacking purchases can be used if the following factors have been met.

1. The goods / services must be specifically within the scope of the contract and the contract must be **active**. A purchase cannot be made against a contract that has expired.
2. A proof of award and a copy of the contract must be obtained and information whether the award was competitive or sole source must be supplied.
3. The use of cooperative contracts / piggybacking on other agencies agreements requires the requesting Department to comply with all City requirements in regard to purchasing limits and required documents.

PROCUREMENT / CONTRACTING USING FEDERAL FUNDS

PURPOSE:

The purpose of this policy is to outline the contract provision requirements for using Federal funds to purchase materials, products, or services. These requirements governing the purchasing process are designed to ensure that City staff:

- Follow a free and open competitive process in securing those products or services;
- Properly document purchasing activities and decisions;
- Observe the special rules for particular kinds of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurements);
- Properly bond and insure work involving large construction contracts and/or subcontracts; and
- Use local businesses and contract with small, minority and/or women-owned businesses to the maximum extent feasible.

POLICY:

This means that the City should seek to buy with Federal funds only what is necessary under the terms of its Agreement, and no more. The City is required to ensure the integrity of its purchasing decisions; to document the history, results, and decisions behind its purchases; to follow the rules for certain kinds of transactions; and to offer opportunities to local and disadvantaged firms to respond to your purchasing needs. By following these requirements, the City is helping to guarantee the fairness and the vitality of our free market system, and to ensure that taxpayer resources are not being wasted.

The City has existing rules for purchasing services and products as defined in the Purchasing Policy dated October 4, 2014 and City Ordinance No. 2276, along with its Municipal Code Chapter 2: Article VII. By observing these basic rules, the purchasing decisions can be more efficient and follow the requirements for fair, competitive purchasing.

In addition, when the City uses Federal funds to purchase materials or services, it is not sufficient simply to *state* that the City received the lowest possible price and followed the rules. You have to be able to prove it. Therefore, to avoid disallowed costs and/or recapture of payments, it is necessary that you document the background, need, and the details of every purchasing decision, whether it involves renting an office or buying two-by-fours.

PROCEDURE:

CONTRACT PROVISIONS REQUIRED

All contracts, awarded by a recipient including small purchases, shall contain the following provisions as applicable:

1. Equal Employment Opportunity—All contracts are required to comply with E.O. 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR, 1964–1965 Comp., p. 339), as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
2. Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 276c)—All contracts and subgrants in excess of \$2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.
3. Davis-Bacon Act, as amended (40 U.S.C. 276a to a–7)—When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a–7) and as supplemented by Department of Labor regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.
4. Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333)—Where applicable, all contracts awarded by recipients in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333), as supplemented by Department of Labor regulations (29 CFR part 5). Under section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5. Rights to Inventions Made Under a Contract or Agreement—Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
6. Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and sub grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).
8. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Bonding

The requirements for bonding in procurement are as follows:

1. For construction or facility improvement (sub) contracts exceeding \$100,000, the following minimum Federal requirements (2 CFR section 200.325) for bid guarantees, performance bonds, and payment bonds must be met. These include:

- a) A bid guarantee from each bidder equivalent to 5 percent of the bid price. The “bid guarantee” must be a firm commitment in the form of a bid bond, certified check, or other negotiable instrument as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount.
 - b) A performance bond from the (sub) contractor for 100 percent of the contract price to secure the (sub) contractor’s fulfillment of all obligations under the contract.
 - c) A payment bond from the (sub) contractor for 100 percent of the contract price to assure payment of all persons supplying labor and material under the contract.
2. For non-profit City, 24 CFR 84.48(c) states that for contracts or subcontracts awarded for construction or facility improvement equal to or less than \$100,000, a City must follow its own policies for bid guarantees, performance bonds, and payment bonds.

For both non-profit City and governmental City, however, the City Agreement may mandate compliance with *the grantee’s bid guarantee, bonding, and insurance requirements* in instances of contracts or subcontracts for construction or facility improvements with a value equal to or less than \$100,000.

Use of Local Businesses; Contracting with Small, Minority, and/or Women-Owned Businesses

Federal regulations, both CDBG and non-CDBG, make it very clear that City should make every effort to use local business firms and contract with small, minority-owned and/or women-owned businesses in the procurement process. Specifically,

- 1. A City must take affirmative steps to use small firms, minority-owned firms, women- owned firms, or labor surplus area firms in its CDBG-financed activities (24 CFR 85.36(e)). The efforts which a City should make include:
 - a) Incorporating such businesses in solicitation lists whenever they are potential sources.
 - b) Ensuring that such businesses are solicited when identified as potential sources.
 - c) Dividing procurement requirements, when economically feasible, to permit maximum participation of such businesses.
 - d) Requiring prime contractors, when subcontracts are let, to take affirmative steps to select such firms.
- 2. In conformance with the requirements of Section 3 of the Housing and Community Development Act of 1968, to the greatest extent feasible, City must award contracts for work to be performed to eligible business concerns located in or owned by residents of the target area to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of governmental assistance for housing (see 24 CFR 570.607(b)).

City should note, however, that the desire to award contracts to local firms is not a legitimate excuse for avoiding an open and competitive procurement process.

ORDINANCE NO. 2337

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, TO AMEND CHAPTER 2, ARTICLE VII OF THE WEST COVINA MUNICIPAL CODE RELATING TO PURCHASES AND SALES

WHEREAS, it is deemed to be in the City's best interest to purchase goods, services and equipment more effectively.

NOW, THEREFORE, be it ordained by the City Council of the City of West Covina as follows:

SECTION 1. That Section 2-316 (Surplus supplies and equipment) of Article VII (Purchases and Sales) of the West Covina Municipal Code, is hereby amended to read as follows:

Sec. 2-316. – Surplus supplies and equipment.

All using agencies shall submit to the purchasing officer, at such times and in such form as he shall prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The purchasing officer shall have authority to dispose of surplus supplies and equipment in accordance with the City of West Covina's Purchasing Policy after receiving authorization from the city council as to any item of an estimated value of two hundred fifty dollars (\$250.00) or more.

SECTION 2. That Section 2-317 (Sale of surplus supplies and equipment) of Article VII (Purchases and Sales) of the West Covina Municipal Code, is hereby amended to read as follows:

Sec. 2-317. – Sale of surplus supplies and equipment.

Surplus supplies and equipment may be sold to the public in accordance with the City of West Covina's Purchasing Policy. City employees, however, are ineligible to bid on and to purchase such surplus items except as authorized by the City of West Covina Purchasing Policy.

SECTION 3. That Section 2-318 (Surplus supplies and equipment acquired with federal funds) of Article VII (Purchases and Sales) of the West Covina Municipal Code, is hereby amended to read as follows:

Secs. 2-318 – Surplus supplies and equipment acquired with federal funds.

Notwithstanding Sections 2-316 and 2-317, any surplus supplies or equipment purchased with federal funds shall be disposed of in accordance with the federal requirements for the disposal of that particular supply or equipment. Additionally, the proceeds from the sale or trade-in of surplus supplies or equipment purchased with federal funds shall be used to offset the cost of replacing said supplies or equipment.

SECTION 4. That Section 2-330 (Bidding) of Article VII (Purchases and Sales) of the West Covina Municipal Code, is hereby amended to read as follows:

Sec. 2-330. – Bidding

(a) Purchases of supplies, services, equipment, and the sale of personal property shall be pursuant to the bid procedures set forth in sections 2-333 and 2-334 and the City of West Covina Purchasing Policy.

(b) Bidding may be dispensed with when an emergency requires that an order be placed with the nearest available source of supply, when the amount involved is less than two thousand five-hundred dollars (\$2,500.00) or when the commodity can be obtained from only one (1) vendor. The city council, by majority vote of its entire membership, may dispense with such bidding and other procedures required by this division in any individual instance upon finding that it would be impracticable, useless or uneconomical in such instance to follow such procedures and that the public welfare would be promoted by dispensing with the same.

(c) With respect to those bids relating to the purchase of items subject to state sales tax, the term "lowest responsible bidder" shall be deemed to include a one (1) percent discount for local vendors in the computation of bids in order to reflect the advantages that accrue to the city by the award of bid to a local vendor.

SECTION 5. That Section 2-331 (Purchase orders) of Article VII (Purchases and Sales) of the West Covina Municipal Code, is hereby amended to read as follows:

Sec. 2-331. – Purchase orders

Purchases of supplies, services and equipment of a value greater than two thousand five hundred dollars (\$2,500.00) shall be made only by purchase order according to the City of West Covina Purchasing Policy.

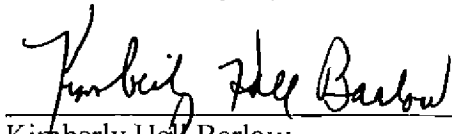
SECTION 6. The City Clerk shall certify to the passage and adoption of this ordinance, causing it to be posted as required by law, and it shall be effective thirty (30) days after its adoption.

PASSED, APPROVED AND ADOPTED on this 3rd day of April, 2018.



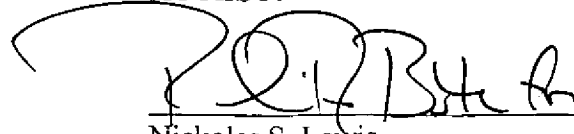
Mike Spence
Mayor

APPROVED AS TO FORM:



Kimberly Hall Barlow
City Attorney


ATTEST:



Nickolas S. Lewis
City Clerk

I, NICKOLAS S. LEWIS, City Clerk of the City of West Covina, California, do hereby certify that the foregoing Ordinance No. 2337 was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the 20th day of March, 2018. That thereafter said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 3th day of April, 2018 by the following vote of the City Council:

AYES: Johnson, Toma, Warshaw, Wu
NOES: Spence
ABSENT: None
ABSTAIN: None



Nickolas S. Lewis
City Clerk



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: EVALUATING MOVING FROM 7-YEAR TO 5-YEAR TREE TRIMMING CYCLE FOR CITYWIDE TREE MAINTENANCE SERVICES

RECOMMENDATION:

It is recommended that the City Council instruct staff to trim trees on a five-year cycle, beginning July 1, 2019, and appropriate necessary funds during the Fiscal Year 2019-20 Budget and subsequent budgets.

BACKGROUND:

This item was requested to be agendaized by Mayor Pro Tem Wu at the December 18, 2018 City Council Meeting. The Public Services Department is responsible for maintenance of all City-owned facilities and public infrastructure. One component of these maintenance responsibilities is establishing and maintaining an efficient and cost-effective tree maintenance program. Implementing an annual tree maintenance program is critical to ensure the proper upkeep and maintenance of the City's urban forest. Regular tree maintenance service varies in scope and frequency depending on the sizes, species and condition of trees.

West Coast Arborists (WCA) has been providing tree maintenance services to the City of West Covina since 1997. In 2017, the City renewed its contract with WCA to move from a seven-year to a five-year trimming cycle, but due to budget constraints the City Council chose to move back to a seven-year cycle. Prior to the seven-year tree trimming cycle, tree maintenance was done on as needed basis, which has caused some trees in the City to be overgrown and in need of additional maintenance.

DISCUSSION:

The industry standard for tree trimming is 3-5 years, however the City of West Covina changed its tree trimming cycle in the past due to budgetary issues. Staff surveyed other agencies to determine how often they maintain their trees and the following is a summary of those results:

Tree Trimming Cycles for Other Municipalities

City	Trimming Cycle
Azusa	4 year
Baldwin Park	5 year
Claremont	5 year
Covina	5 year
Diamond Bar	5 year
Fontana	5 year
Glendora	5 year
La Puente	3 year
La Verne	4 year
Montclair	4 year
Ontario	5 year
Pomona	5 year
San Dimas	4 year
Upland	5 year
<i>West Covina</i>	<i>7 year</i>
Average	4.73 years

West Covina is the only local City that is currently on a seven-year tree trimming cycle. Nine cities are currently on five-year tree trimming cycles, four on four-year tree trimming cycles, and one on a three-year trimming cycle.

Staff is recommending that the City move from the seven-year tree trimming cycle to a five-year tree trimming cycle. Increasing the frequency of tree trimming will create additional costs to the contract with West Coast Arborists, but there are a number of benefits by increasing the frequency of trimming. This includes overall appearance of the community; more frequent trimming should reduce the City's exposure for claims against the City for damages from tree related incidents (i.e. tree branches falling on vehicles, fences, etc.), better customer service to residents who want/expect more frequent tree trimming, reduce other tree related hazards (i.e. potentials source of fuel for fires) and much more.

OPTIONS:

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

Prepared by: Mike Cresap, Public Services Superintendent

Additional Approval: Nikole Bresciani, Assistant City Manager/Public Services Director

Fiscal Impact

FISCAL IMPACT:

The total approved budget for tree maintenance for Fiscal Year 2018-19 is \$413,000 with funding coming from the following funding sources:

Funds	Account No.	Amount
Citywide Lighting Maintenance District	188.41.4141.6130	\$276,710
Sewer	189.41.4160.6120	\$11,151
General Fund	110.41.4142.6130	\$28,497
Gas Tax	124.41.4141.6130	\$28,497
Maintenance District No. 1	181.41.4145.6130	\$11,977
Maintenance District No. 2	182.41.4145.6130	\$11,151
Maintenance District No. 4	184.41.4145.6130	\$22,715
Maintenance District No. 6	186.41.4145.6130	\$11,151
Maintenance District No. 7	187.41.4145.6130	\$11,151
Total		\$413,000

WCA's contract amount is \$413,000 per year. If the City Council elects to amend WCA's agreement and adjust the trimming cycle from seven to five years, there will be an increase of \$72,000 annually. WCA's contract amount would be \$485,000. The total increase over the three years remaining on the five year contract would be \$216,000.

Fiscal Year	Five-Year Trimming Cycle	Seven-Year Trimming Cycle
2017-18	\$413,000 *7yr cycle	\$413,000
2018-19	\$413,000 *7yr cycle	\$413,000
2019-20	\$485,000	\$413,000
2020-21	\$485,000	\$413,000
2021-22	\$485,000	\$413,000
Total Contract Amount (over five-year period)	\$2,281,000	\$2,065,000

Whatever option the City Council chooses, there will be no price increase for the remainder of Fiscal Year 2018-19, thus, no additional appropriation will be required at this time. However, it will be necessary to increase the assessment rates for the Citywide Lighting and Maintenance and Landscape Maintenance Districts in order to fund these additional costs moving forward. Any proposed new assessment rates will be presented to the City Council for consideration as part of the Fiscal Year 2019-20 budget adoption process.

Attachments

Attachment No. 1 - West Coast Arborists Amendment No. 1

**AMENDMENT NUMBER ONE TO
CITY OF WEST COVINA
PROFESSIONAL SERVICES AGREEMENT
WITH
WEST COAST ARBORISTS, INC.**

This Amendment ("Amendment") is made and entered into this 1st day of April, 2017 ("Effective Date") by and between the CITY OF WEST COVINA, a municipal corporation ("City") and WEST COAST ARBORISTS, INC., a California corporation ("Contractor").

RECITALS

- A. On April 1, 2012, City and Contractor entered into an agreement for the provision of landscape maintenance services ("the 2012 Agreement").
- B. The 2012 Agreement provides for a term of five (5) years, expiring on April 1, 2017.
- C. City and Contractor desire to extend the 2012 Agreement for five (5) years and establish a five-year tree trimming cycle.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

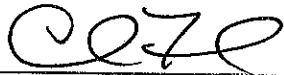
- 1. To extend the 2012 Agreement for five (5) years and establish a five-year tree trimming cycle, unless terminated pursuant to Paragraph 7.8 of the 2012 Agreement.
- 2. Paragraph 7.8(b) of the 2012 Agreement is deleted in its entirety and replaced as follows:
 - (b) At the Option of City: This Section 7.8(b) shall govern any termination of this Agreement by City except as specifically provided in the preceding Section 7.8(a) or Section 7.8(d) below. The City reserves the right to terminate this Agreement at any time, with or without cause upon thirty (30) days' written notice to Contractor. Upon receipt of notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event of termination without cause pursuant to this Section 7.8(b) or pursuant to Section 7.8(c) or 7.8(d), the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.
- 3. All other terms and conditions of the 2012 Agreement shall remain in full force and effect.
- 4. The total annual contract amount is \$485,000 starting FY2017-18 based on prevailing wage rates.

Contractor shall be paid according to the compensation provisions set forth in the table below:

Description	Unit	Price	Year 1	Year 2	Year 3	Year 4	Year 5
			FY2017-18	FY2018-19	FY2019-20	FY2020-21 (No Increase)	FY2021-22 (No Increase)
Svc Rqst Clearance Prune	Each	\$44.00	\$48.40	\$52.80	\$57.20	\$57.20	\$57.20
Grid Pruning	Each	\$44.00	\$48.40	\$52.80	\$57.20	\$57.20	\$57.20
Light Pruning - less than 15%	Each	\$33.00	\$36.30	\$39.60	\$42.90	\$42.90	\$42.90
Svc Rqst Pruning 0-6 DSH	Each	\$25.00	\$27.50	\$30.00	\$32.50	\$32.50	\$32.50
Svc Rqst Pruning 7-12 DSH	Each	\$60.00	\$66.00	\$72.00	\$78.00	\$78.00	\$78.00
Svc Rqst Pruning > 12 DSH	Each	\$90.00	\$99.00	\$108.00	\$117.00	\$117.00	\$117.00
Svc Rqst Pruning WA Robusta	Each	\$44.00	\$48.40	\$52.80	\$57.20	\$57.20	\$57.20
Svc Rqst Pruning WA Filifera	Each	\$44.00	\$48.40	\$52.80	\$57.20	\$57.20	\$57.20
Svc Rqst Pruning Phoenix Can	Each	\$90.00	\$99.00	\$108.00	\$117.00	\$117.00	\$117.00
Svc Rqst Pruning	Man Hr	\$50.00	\$55.00	\$60.00	\$65.00	\$65.00	\$65.00
Palm Skinning	Foot	\$10.00	\$11.00	\$12.00	\$13.00	\$13.00	\$13.00
Tree and Stump Removal	Inch	\$15.00	\$16.50	\$18.00	\$19.50	\$19.50	\$19.50
Tree Only Removal	Inch	\$10.00	\$11.00	\$12.00	\$13.00	\$13.00	\$13.00
Stump Only Removal	Inch	\$6.00	\$6.60	\$7.20	\$7.80	\$7.80	\$7.80
WA Robusta Removal	Foot	\$15.00	\$16.50	\$18.00	\$19.50	\$19.50	\$19.50
WA Filifera Removal	Foot	\$15.00	\$16.50	\$18.00	\$19.50	\$19.50	\$19.50
Phoenix Can Removal	Foot	\$25.00	\$27.50	\$30.00	\$32.50	\$32.50	\$32.50
Plant 15 Gallon Tree	Each	\$90.00	\$99.00	\$108.00	\$117.00	\$117.00	\$117.00
Plant 24" Box Tree	Each	\$180.00	\$198.00	\$216.00	\$234.00	\$234.00	\$234.00
Plant 36" Box Tree	Each	\$300.00	\$330.00	\$360.00	\$390.00	\$390.00	\$390.00
Root Pruning	Foot	\$7.00	\$7.70	\$8.40	\$9.10	\$9.10	\$9.10
Root Barrier Installation	Foot	\$7.00	\$7.70	\$8.40	\$9.10	\$9.10	\$9.10
Root Shaving	Man Hr	\$50.00	\$55.00	\$60.00	\$65.00	\$65.00	\$65.00
Crew Rental - per man	Man Hr	\$50.00	\$55.00	\$60.00	\$65.00	\$65.00	\$65.00
Emergency Crew Rental-per man	Man Hr	\$50.00	\$55.00	\$60.00	\$65.00	\$65.00	\$65.00

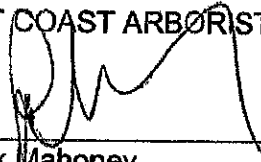
IN WITNESS WHEREOF, City and Contractor have executed this Amendment as of the date and year first written above.

CITY OF WEST COVINA



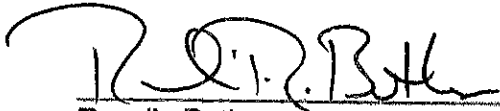
Chris Freeland
City Manager

WEST COAST ARBORISTS, INC.



Patrick Mahoney
President

ATTEST:



Rosalia Butler
Assistant City Clerk

APPROVED AS TO FORM:



Kimberly Hall Barlow
City Attorney



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: GENERAL FUND BALANCE RESERVE POLICY

RECOMMENDATION:

It is recommended that the City Council receive and file this informational report.

BACKGROUND:

At the June 5, 2018 City Council Meeting, City Council adopted Resolution 2018-64 (Attachment No. 1), amending the Fund Balance Reserve Policy for the General Fund. The amended General Fund Balance Reserve Policy changed the minimum unassigned fund balance requirement by reducing it from 20% to 17% of operating expenditures.

DISCUSSION:

Cities maintain a Fund Balance to provide the City with the financial ability to respond to an economic downturn, provide sufficient cash flow to avoid the need for short-term borrowing, make unexpected purchases of equipment and supplies, and much more. The amount of a City's Fund Balance is also an indicator of a City's financial condition, and those cities with a greater Fund Balance are typically more financially secure than other communities. This is also a significant measurement used by bond agencies when determining a City's credit rating. Those cities that maintain their Fund Balance at or above recommended levels, without dipping into them, earn a greater credit rating. The greater the credit rating, the better the interest rate a City earns if it needs to borrow money for projects and programs. In October 2018, Standard & Poor's provided the City of West Covina a credit rating of A+.

Currently, the Fund Balance Reserve Policy states that the City shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. Unassigned fund balance (residual net resources) is the difference between total fund balance and its nonspendable, restricted, committed, and assigned components. If the reserve level falls below 17%, the City must amend this policy by including a plan to rebuild the fund within three years. At the fiscal year end close, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund Balance reserves, 50% is transferred to the City's Capital Projects Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability.

The unassigned fund balance of at least 17% of General Fund operating expenditures meets the reserve level at a minimum of no less than two months of regular General Fund operating expenditures, which is consistent with the Government Finance Officers Association (GFOA) minimum recommended fund balance reserve level. The

GFOA provides cities with "Best Practices" in the area of municipal finances throughout the United States.

Prepared by: Marcie Medina, Finance Director

Fiscal Impact

FISCAL IMPACT:

The unassigned fund balance of at least 17% of General Fund operating expenditures provides for two months of regular General Fund operating expenditures. Any reduction in the minimum unassigned fund balance could result in cashflow issues, and the City needing to borrow for ongoing operations. Also, it would most likely result in downgrading of the City's credit rating and further scrutiny by the State and other agencies.

Attachments

Resolution No. 2018-64 Including Exhibit A
GFOA Fund Balance Guidelines

RESOLUTION NO. 2018-64**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF WEST COVINA, CALIFORNIA, AMENDING THE FUND
BALANCE RESERVE POLICY FOR THE GENERAL FUND**

WHEREAS, in an effort to become more financially secure, the City Council adopted a Fund Balance Reserve Policy for the General Fund on July 7, 2015, with the adoption of Resolution No. 2015-52; and

WHEREAS, the City Council amended the Fund Balance Reserve Policy for the General Fund on March 1, 2016, with the adoption of Resolution No. 2016-18; and

WHEREAS, the City Council amended the Fund Balance Reserve Policy for the General Fund on June 21, 2016 with the adoption of Resolution No. 2016-60; and

WHEREAS, the City Council had previously adopted a fund balance reserve policy of maintaining a minimum unassigned fund balance of at least 20% of General Fund operating expenditures. At the end of the fiscal year end close, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund Balance reserves, 50% is transferred to the City's Capital Projects Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability; and

WHEREAS, the City Council has determined that the City shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. If the reserve level falls below 17%, the City must amend this policy, including a plan to rebuild the fund within three years. At the end of the fiscal year end close, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund Balance reserves, 50% is transferred to the City's Capital Projects Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability.

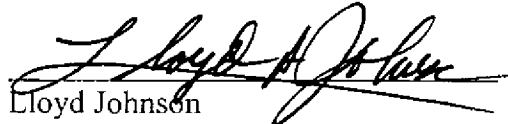
WHEREAS, the City Council has determined that the City has met the reserve level at a minimum of no less than two months of regular General Fund operating expenditures which is consistent with the Government Finance Officers Association (GFOA) recommended fund balance reserve level; and

NOW, THEREFORE, the City Council of the City of West Covina does resolve as follows:

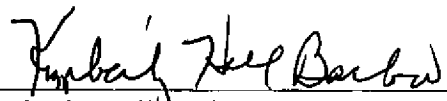
Section 1. This resolution supersedes Resolution No. 2016-60 and adopts the Amended Fund Balance Policy for the General Fund as reflected in Exhibit A to this resolution.

Section 2. That the City Clerk shall certify to the adoption of this resolution and the same shall be in full force in effect immediately upon adoption.


PASSED, APPROVED AND ADOPTED this 5th day of June, 2018.


Lloyd Johnson
Mayor Pro Tem

APPROVED AS TO FORM:



Kimberly Hall Barlow
City Attorney

ATTEST:


Nickolas S. Lewis
City Clerk

I, HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof on the 5th day of June 2018, by the following vote of the City Council:

AYES: Toma, Warshaw, Wu, Johnson
NOES: None
ABSENT: Spence
ABSTAIN: None



Nickolas S. Lewis
City Clerk

**CITY OF WEST COVINA
FUND BALANCE
POLICY**

POLICY

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard has not changed the total amount of reported fund balance, but has substantially altered the categories and terminology used to describe its components. The new categories and terminology reflect an approach that will focus, not on financial resources available for appropriation within a fund, but on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the City's financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

PROCEDURES

The term "*Fund Balance*" is used to describe the difference between assets (what is owned) and liabilities (what is owed) reported within a fund. In the past, fund balance has been classified into basically three separate components: Reserved, Designated, and Undesignated. There are almost always important limitations on the purpose for which all or a portion of the resources of a fund can be used. The force of these limitations can vary significantly, depending on their source. The various components of the "new" fund balance are designed to indicate the extent to which the City is bound by these limitations placed upon the resources.

GASB Statement No. 54 defines five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. These new components of fund balance will replace the current existing three components. The five components are:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. Some examples of nonspendable fund balance are prepaid expenses, notes receivable, inventory and land held for resale. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

COMMITTED FUND BALANCE

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

ASSIGNED FUND BALANCE

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose.

This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the annual financial statements.

UNASSIGNED FUND BALANCE

These are residual positive net resource of the general fund in excess of what can properly be classified in one of the other four categories.

RESERVE POLICIES

The City shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. If the reserve level falls below 17%, the City must amend this policy, including a plan to rebuild the fund within three years. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

- Economic uncertainties, local disasters and other hardships or downturns in the local economy
- Contingencies for unforeseen operating or capital needs
- Cash flow requirements

At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of City Council: 25% stays in the General Fund Balance reserves, 50% is transferred to the City's Capital Projects Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability.

FUND BALANCE CLASSIFICATION

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available the policy shall be to expend the restricted fund balance first before expending the unrestricted fund balance. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classification of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provisions of this policy.



BEST PRACTICE

Fund Balance Guidelines for the General Fund

BACKGROUND:

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.¹ While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

RECOMMENDATION:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.³ Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.⁴ In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment.

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Notes:

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

The County of San Diego, CA was awarded the GFOA Award for Excellence for outstanding use of GFOA's Best Practice on Fund Balance Guidelines for the General Funds. To learn more about the County's implementation process, please visit their award page.

This best practice was previously titled Appropriate Level of Unrestricted Fund Balance in the General Fund.

203 N. LaSalle Street - Suite 2700 | Chicago, IL 60601-1210 | Phone: (312) 977-9700 - Fax: (312) 977-4806



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: REQUEST FROM COUNCILMAN DARIO CASTELLANOS REQUESTING THE CITY COUNCIL'S CONSIDERATION TO HAVE CITY STAFF SURVEY OTHER CITIES TO LEARN WHAT SERVICES THEY PROVIDE AFTERHOURS AND ON WEEKENDS FOR RESIDENTS AND BUSINESSES WANTING TO CONDUCT BUSINESS WITH THE CITY

RECOMMENDATION:

It is recommended that the City Council discuss and provide staff direction.

DISCUSSION:

Per the City Council Standing Rules, Councilman Dario Castellanos is requesting City Council consensus to have staff survey other cities to learn what services and methods they provide after hours, on weekends, or when City Hall is closed.

Councilman Castellanos is also encouraging the City to seek input from the community on what services they would like to see provided after hours or during holiday closures.

Prepared by: Chris Freeland, City Manager



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: REQUEST FROM COUNCILWOMAN LETTY LOPEZ-VIADO REQUESTING THE CITY COUNCIL'S CONSIDERATION TO DIRECT STAFF TO SURVEY WHAT MEASURES OTHER CITIES ARE TAKING TO REDUCE PANHANDLING IN THEIR COMMUNITIES

RECOMMENDATION:

It is recommended that the City Council discuss and provide staff direction.

DISCUSSION:

Per the City Council's Standing Rules, Councilwoman Letty Lopez-Viado is seeking the City Council's consensus to direct staff to survey what other cities are doing to address panhandling in their communities. This includes both public and private property.

Prepared by: Chris Freeland, City Manager



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 5, 2019

TO: Mayor and City Council

FROM: Chris Freeland
City Manager

SUBJECT: REQUEST FROM MAYOR PRO TEM TONY WU REQUESTING THE CITY COUNCIL'S CONSIDERATION TO CHANGE THE FREQUENCY THAT THE CITY'S AUDIT COMMITTEE MEETS AND OTHER FINANCIAL UPDATES

RECOMMENDATION:

It is recommended that the City Council provide staff direction.

DISCUSSION:

Per the City Council Standing Rules, Mayor Pro Tem Tony Wu is seeking the City Council's consideration to change the frequency that the City's Audit Committee meets and other financial updates.

Specifically, Mayor Pro Tem is requesting the following:

1. Staff to provide the City Council, for public review, a monthly balance sheet (revenues and expenditures), monthly overtime report, and monthly status of Department spending;
2. A quarterly financial report;
3. Ensure that the City's yearly audit is submitted to the City Council review by March 31st; and
4. Establish quarterly meetings with the Audit Committee and schedule additional Audit Committee meetings if a majority of the Committee membership wishes to meet.

Prepared by: Chris Freeland, City Manager
