



CITY OF GRAND TERRACE

City Council

AGENDA • May 13, 2025

Council Chambers

Regular Meeting

6:00 PM

Grand Terrace Civic Center • 22795 Barton Road

COMMENTS FROM THE PUBLIC

The public is encouraged to address the City Council on any matter posted on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete a Request to Speak card located at the front entrance and provide it to the City Clerk. Speakers will be called upon by the Mayor at the appropriate time and each person is allowed three (3) minutes speaking time.

The City wants you to know that you can also submit your comments by email to ccpubliccomment@grandterrace-ca.gov. To give the City Clerk adequate time to print out your comments for consideration at the meeting, please submit your written comments prior to 5:00 p.m.; or if you are unable to email, please call the City Clerk's Office at (909) 954-5207 by 5:00 p.m.

If you wish to have your comments read to the City Council during the appropriate Public Comment period, please indicate in the Subject Line "FOR PUBLIC COMMENT" and list the item number you wish to comment on. Comments that you want read to the City Council will be subject to the three (3) minute time limitation (approximately 350 words).

Pursuant to the provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

PLEASE NOTE: Copies of staff reports and supporting documentation pertaining to each item on this agenda are available for public viewing and inspection at City Hall, 1st Floor Lobby Area and 2nd Floor Reception Area during regular business hours and on the City's website www.grandterrace-ca.gov. For further information regarding agenda items, please contact the office of the City Clerk at (909) 954-5207, or via e-mail at dalcocer@grandterrace-ca.gov.

Any documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office at City Hall located at 22795 Barton Road during normal business hours. In addition, such documents will be posted on the City's website at www.grandterrace-ca.gov.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office, (909) 954-5207 at least 48 hours prior to the advertised starting time of the meeting. This will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible [28 CFR 34.102.104 ADA Title II].

Call to Order

Invocation

Pledge of Allegiance

AB 2449 Disclosures

Remote participation by a member of the legislative body for just cause or emergency circumstances.

Roll Call

A. REORDERING OF, ADDITIONS TO, OR REMOVAL OF ITEMS FROM THE AGENDA

B. PUBLIC COMMENT

This is the opportunity for members of the public to comment on any items not appearing on the regular agenda. Because of restrictions contained in California Law, the City Council may not discuss or act on any item not on the agenda, but may briefly respond to statements made or ask a question for clarification. The Mayor may also request a brief response from staff to questions raised during public comment or may request a matter be agendaized for a future meeting.

C. SPECIAL PRESENTATIONS

D. CONSENT CALENDAR

The following Consent Calendar items are expected to be routine and noncontroversial. They will be acted upon by the City Council at one time without discussion. Any Council Member, Staff Member, or Citizen may request removal of an item from the Consent calendar for discussion.

- 1) Waive Full Reading of Ordinances on Agenda

DEPARTMENT: City Clerk

- 2) Approval of Minutes - Regular Meeting - April 8, 2025

DEPARTMENT: City Clerk

- 3) Mayor authority to Sign LOS for Private Entities & Legislative Offices

DEPARTMENT: City Manager

- 4) Auditor's Annual Financial Report and Related Documents for the Fiscal Year Ended June 30, 2024

DEPARTMENT: Finance

- 5) Housing Successor Agency Annual Financial Report for the Year Ended June 30, 2024
DEPARTMENT: Finance
- 6) Measure I Fund Annual Financial & Compliance Report for the Year Ended June 30, 2024
DEPARTMENT: Finance
- 7) Approval of the March-2025 Check Register in the Amount of \$559,751.44
DEPARTMENT: Finance
- 8) Thirty-Second Amendment to Law Enforcement Services Contract No. 94-797 with the County of San Bernardino to Provide Law Enforcement Services for Fiscal Year 2025-2026 to the City of Grand Terrace
DEPARTMENT: City Manager
- 9) Award Contracts for CIP 2025-26
DEPARTMENT: Public Works
- 10) Amendment No. 2 to Hirsch & Associates to Amended and Restated Agreement
DEPARTMENT: Public Works
- 11) Award Contract for NPDES Support Services
DEPARTMENT: Public Works
- 12) Professional Services Agreement Amendment No. 1 Between the City of Grand Terrace and Lance, Soll & Lunghard, LLP for Financial Auditing Services
DEPARTMENT: Finance
- 13) Professional Services Agreement Amendment No. 1 Between the City of Grand Terrace and HDL Companies for Business License Auditing and Administration Services
DEPARTMENT: Finance
- 14) Amendment No. 2 to Agreement with EZ Sunnyday for Citywide Landscape Services
DEPARTMENT: Public Works
- 15) Amendment No. 1 to Superior Building Maintenance Contract for Facility Janitorial Services
DEPARTMENT: Public Works
- 16) Award Contract to Athletic Field Specialist for Richard Rollins Field Maintenance
DEPARTMENT: Public Works

- 17) 2025-2026 Landscape & Lighting Assessment District 89-1 Public Hearing Intent

DEPARTMENT: Public Works

- 18) 2025-2026 Trash and Sewer Special Assessments: Intent to Levy and Schedule Public Hearing

DEPARTMENT: Public Works

- 19) Intent to Update Facility Use Fees

RECOMMENDATION: Approve the intent to hold a public hearing on the revised Facility Use Agreement, which includes clarifying applicant responsibilities, implementing a setup and breakdown fee, and restricting rentals to individuals or organizations listed on the original agreement. The public hearing is scheduled for May 27, 2025.

DEPARTMENT: Public Works

- 20) Approval of a Public Convenience or Necessity for an Off-Sale General (Type 21) Alcoholic Beverage Retail License issued by the California Department of Alcoholic Beverage Control (ABC) for the Applicant, Mr. Ghatas Roumah, for their business the Grand Terrace Market located at 12490 Michigan Avenue, Grand Terrace, CA 92313 (APN 116718111)

DEPARTMENT: Planning & Development Services

- 21) Zoning Code Amendment (ZCA) 24-04: Second Reading and Adoption of an Ordinance Amending the Grand Terrace Municipal Code Chapter 5.06 (Home Occupation Permits); Chapter 5.40 (Garage Sales); Chapter 5.42 (Integrated Waste Management); Chapter 5.48 (Massage Parlors and Massage Technicians); Chapter 8.108 (Noise); Chapter 8.112 (Fireworks); Chapter 9.05 (Vending on City Sidewalks); Chapter 10.16 (Storage of Vehicles – Intersection Obstruction); Chapter 12.32 (Conduct on Public Property – Parks); Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way); Chapter 15.56 (Water Efficient Landscape); Chapter 18.10 (Residential Districts); Chapter 18.53 (AG Agricultural Overlay District); Chapter 18.56 (AG-2 Agricultural 2 Overlay District); Chapter 18.64 (Objective Design Standards); Chapter 18.80 (Signs); and Chapter 18.82 (Standards for Specified Land Uses and Activities), and a Determination That ZCA 24-04 is Exempt From CEQA Pursuant to CEQA Guidelines Section §15061(b)(3) – Common Sense Exemption.)

DEPARTMENT: Planning & Development Services

- 22) Authorization to Install Security Gates at City Hall and Public Parks

DEPARTMENT: Public Works

E. PUBLIC HEARINGS

- 23) Public Hearing to Form Community Facilities District No. 2025-1 (Public Maintenance Services)

RECOMMENDATION:

1. Adopt Resolution No. 2025-XX, forming Community Facilities District (CFD) No. 2025-1.
2. Adopt Resolution No. 2025-XX, calling a special election for CFD No. 2025-1.
3. Adopt Resolution No. 2025-XX, declaring the results of the special election and directing the recording of a Notice of Special Tax Lien for CFD No. 2025-1.
4. Adopt Ordinance No. XXXX, authorizing the levy of a special tax within Community Facilities District No. 2025-1 (Public Maintenance Services) to finance certain services.

DEPARTMENT: Public Works

F. UNFINISHED BUSINESS

G. NEW BUSINESS

- 24) Introduction and First Reading by Title Only, with Further Reading Waived an Ordinance Amending Section 8.112.180 (Establishment of A No Fireworks Safety Zone) of Title 8 (Health And Safety) of the Grand Terrace Municipal Code

RECOMMENDATION: Direct the City Attorney to read by title only, waive reading of, and introduce "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA AMENDING SECTION 8.112.180 (ESTABLISHMENT OF A NO FIREWORKS SAFETY ZONE) OF TITLE 8 (HEALTH AND SAFETY) OF THE GRAND TERRACE MUNICIPAL CODE, WHICH AMENDS THE CITY'S FIREWORKS REGULATIONS"

DEPARTMENT: City Manager

H. FUTURE AGENDA ITEMS

At this time, the City Council may propose items for discussion and/or action at a future duly agendized City Council meeting. A consensus of a majority of the quorum is required to place an item on a future agenda.

I. CITY COUNCIL COMMUNICATIONS

Council Member Matt Brown
Council Member Jeff Allen
Council Member Doug Wilson
Mayor Pro Tem Michelle Sabino
Mayor Bill Hussey

J. CITY MANAGER COMMUNICATIONS

K. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8 Property: Palm & Barton Rd., 22795 Barton Rd., Grand Terrace, CA 92313, APN 0276-202-47 Property Negotiators: Anthony & Angeline Petta Agency Negotiators: Konrad Bolowich, City Manager, and Adrian Guerra, City Attorney Under Negotiation: Price and Terms of Payment

2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8 Property: Palm & Barton Rd., 22795 Barton Rd., Grand Terrace, CA 92313, APN 0276-202-61 Property Negotiators: Anthony & Angeline Petta Agency Negotiators: Konrad Bolowich, City Manager, and Adrian Guerra, City Attorney Under Negotiation: Price and Terms of Payment

3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8 Property: Palm & Barton Rd., 22757 Barton Rd., Grand Terrace, CA 92313, APN 0276-202-31 Property Negotiators: Anthony & Angeline Petta Agency Negotiators: Konrad Bolowich, City Manager, and Adrian Guerra, City Attorney Under Negotiation: Price and Terms of Payment

L. ADJOURN

The next Regular City Council Meeting will be held on May 27, 2025, at 6:00 PM. Any request to have an item placed on a future agenda must be made in writing and submitted to the City Clerk's office.



CITY OF GRAND TERRACE

City Council

MINUTES • April 8, 2025

Council Chambers

Regular Meeting

6:00 PM

Grand Terrace Civic Center • 22795 Barton Road

Call to Order

Mayor Bill Hussey convened the Regular Meeting of the City Council for Tuesday, April 8, 2025 at 6:00 PM.

Invocation

The Invocation was given by Pastor Leroy Rodriguez from New City Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Pro Tem Michelle Sabino.

AB 2449 Disclosures

None.

Roll Call

Present:	Mayor Bill Hussey Mayor Pro Tem Michelle Sabino Council Member Doug Wilson Council Member Jeff Allen Council Member Matt Brown
Absent:	

A. REORDERING OF, ADDITIONS TO, OR REMOVAL OF ITEMS FROM THE AGENDA

None.

B. PUBLIC COMMENT

Jason Greeley, Grand Terrace Resident, provided details on the upcoming 41st Annual Art Show on May 3rd and Coffee Connections at Woody's on April 9th.

C. SPECIAL PRESENTATIONS

Scott Ward, Communications Director with the San Bernardino County Board of Supervisors, presented a Plaque of Recognition to Lieutenant Bryan Lane. He thanked him for 30 years of service with the Sheriff's Department and for his commitment to public safety. Scott also wished him a long and happy retirement.

Mayor Bill Hussey and City Council presented a Retirement Recognition plaque to Lieutenant Bryan Lane for 29 years of dedication and service to the City of Grand Terrace.

PUBLIC COMMENT

Johan Gallo, Grand Terrace Resident, expressed his gratitude to Lieutenant Bryan Lane.

Toni Rosales, Field Representative, on behalf of the Office of Assembly Woman Leticia Castillo, would like to thank Lieutenant Bryhan Lane for his 29 years of service to San Bernardino County and the City of Grand Terrace.

Mayor Hussey called a short recess at 6:37 p.m. to close out the special presentation.

Mayor Hussey reconvened the meeting at 6:49 p.m.

D. CONSENT CALENDAR

PUBLIC COMMENT

None.

Council Member Allen motioned with a second by Council Member Brown to approve items #1-6 from the Consent Calendar.

- 1) Waive Full Reading of Ordinances on Agenda
- 2) Approval of Minutes - Regular Meeting - March 25, 2025
- 3) (23) Quitclaim Deed Certificates of Acceptance
- 4) Parks and Recreation Committee Appointment - Domon
- 5) Gateway at Grand Terrace Specific Plan EIR Addendum
- 6) Opposition to AQMD Rule 1111 and Rule 1121
- 7) Mayor Authority to Sign Letters of Support - Private Entities

Consent Item was pulled for discussion by Council Member Allen. Council Member Allen suggested that any future legislation be broad enough so that council members' support or opposition would not be specific to just one piece of legislation. Council Member Matt Brown would like to see this policy amended. After discussion, Council Member Allen withdrew his motion to approve item #7, and it was suggested that Adrian, City Attorney, bring the item back at a future meeting with the recommendations provided by the City Council.

RECEIVE& FILE

E. PUBLIC HEARINGS

8) **CONTINUED PUBLIC HEARING**

Zoning Code Amendment (ZCA) 24-04: Introduction and First Reading of an Ordinance Amending the Grand Terrace Municipal Code

Gabriel Arguelles, Assistant Planner, gave the [PowerPoint](#) presentation for this item.

Mayor Hussey opened the Public Hearing at 7:26 p.m.

PUBLIC COMMENT

None.

Mayor Hussey closed the Public Hearing at 7:26 p.m.

Adrian Guerra, City Attorney, read the Introduction and First Reading of an Ordinance Amending the Grand Terrace Municipal Code, and also announced that there was a typo in the word "Ordinance" and that it be corrected by staff.

RESULT:	APPROVED - UNANIMOUS
MOVER:	Council Member Brown
SECONDER:	Council Member Allen
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

F. UNFINISHED BUSINESS - NONE

G. NEW BUSINESS - NONE

H. FUTURE AGENDA ITEMS

Council Member Jeff Allen requested that a discussion be held on creating a Special District to support the Parks and Recreation.

RESULT:	APPROVED - UNANIMOUS
MOVER:	None
SECONDER:	Council Member Allen
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

Council Member Jeff Allen requested that a discussion be held on officially forming a Fire-Wise council in the community.

RESULT:	APPROVED - UNANIMOUS
MOVER:	None
SECONDER:	Council Member Allen
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

Mayor Hussey requested that a discussion be held on what state laws are in place regarding residents having an auto shop or repair shop in their homes and using it as a business.

RESULT:	APPROVED - UNANIMOUS
MOVER:	None
SECONDER:	Council Member Allen
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

Mayor Hussey requested that a discussion be held on increasing the dollar amount of fines that are in place for commercial truck parking violations within the city neighborhoods and city businesses.

RESULT:	APPROVED - UNANIMOUS
MOVER:	None
SECONDER:	Council Member Allen
AYES:	Mayor Hussey, Mayor Pro Tem Sabino, Council Member Wilson, Council Member Allen, Council Member Brown
NAYS:	None

I. CITY COUNCIL COMMUNICATIONS

Council Member Matt Brown reported on the following:
None.

Council Member Jeff Allen reported on the following:

- March 27, 2025 - Attended the Riverside Highland Water Company Board of Directors Meeting
- April 1, 2025 - Attended the Southern California Edison Workshop held at the Senior Center

- April 2, 2025 - Attended the San Bernardino County Office of Homeless Services Central Valley Regional Steering Committee Board Meeting
- April 12, 2025 - Announced the Veterans and Community Resource fair at the Rancho Cucamonga Sports Center
- April 17, 2025 - Announced the upcoming Annual Military Appreciation Dinner at the Orange Show

Council Member Doug Wilson reported on the following:

- April 1, 2025 - Attended the Southern California Edison Workshop held at the Senior Center
- Expressed his concerns about noise within the City and relayed his concerns to the Sheriff

Mayor Pro Tem Michelle Sabino reported on the following:

- Announced Earth Day taking place on April 26, 2025
- Announced that she will be traveling to Sacramento for the Cal Cities City Leaders Summit

Mayor Bill Hussey reported on the following:

- April 1, 2025 - Attended the Southern California Edison Workshop held at the Senior Center, and provided an update on the wiring of the circuits in the City
- April 9, 2025 - Announced that he will participate in career day at Terrace Hills Middle School
- Provided an update on the new Director of San Bernardino County Transportation Agency, who is Carrie Shindler, upon Dr. Wolfe's retirement
- April 3, 2025 - Attended the Southern California Association of Governments Committee meeting

J. CITY MANAGER COMMUNICATIONS

None.

K. CLOSED SESSION - NONE

L. ADJOURN

Mayor Hussey adjourned the Regular Meeting of the City Council at 7:58 p.m. The next Regular City Council Meeting will be held on Tuesday, May 13, 2025, at 6:00 p.m.

Bill Hussey, Mayor

Daysi Alcocer, City Clerk



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Mayor authority to Sign LOS for Private Entities & Legislative Offices

PRESENTED BY: Konrad Bolowich, City Manager

RECOMMENDATION: **ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA AMENDING SECTION 3.6 OF CHAPTER III OF THE CITY OF GRAND TERRACE COUNCIL PROCEDURES SUCH THAT THE MAYOR MAY SIGN LETTERS IN SUPPORT OF PRIVATE BUSINESS ENTITIES' AND STATE LEGISLATIVE OFFICES' POSITIONS ON LEGISLATION PENDING BEFORE THE STATE LEGISLATURE OR THE VOTERS**

2030 VISION STATEMENT:

This staff report supports Goal Number 3: Developing and Implementing Successful Partnerships.

BACKGROUND:

The Mayor is authorized to respond to requests for support from government agencies such as the League of California Cities, the California Joint Powers Insurance Authority relating to the respective organizations' position on legislation before the State legislature or the voters by signing a letter in support of the respective organizations' position on such legislation, on behalf of the City Council, without a formal vote of the City Council. Prior to signing the aforementioned letter of support, the request for support from government agencies shall be distributed to all members of the City Council. Unless the Mayor or City Manager receives a request from a Council member to place the request for support on a council agenda within seventy-two hours of the aforementioned documents being sent, the Mayor may sign the requested letter of support and cause it to be returned to government agencies.

DISCUSSION:

Private business entities are various business organizations or groups that are not government-affiliated and are privately owned, either by an individual or group. From time to time, private business entities send requests to the city in support of its position on certain legislation that is before the State Legislature or before the voters. The City Council wishes to provide a method for a quick response to the aforementioned request for support by authorizing the Mayor to sign letters of support on behalf of the City Council, without the necessity of calendaring the letters on a City Council Agenda for a formal vote.

On April 8, 2025, this item was presented to the City Council, and after discussion, the City Council directed the City Attorney's office to draft language authorizing the Mayor to sign letters of support for legislative offices, and present the item for further Council consideration.

The proposed Guidelines include amended language for Mayor authorization to sign letters of support for private business entities and state legislative offices.

ENVIRONMENTAL IMPACT:

None.

FISCAL IMPACT:

None.

RESOLUTION NO. 2025-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA AMENDING SECTION 3.6 OF CHAPTER III OF THE CITY OF GRAND TERRACE COUNCIL PROCEDURES SUCH THAT THE MAYOR MAY SIGN LETTERS IN SUPPORT OF PRIVATE BUSINESS ENTITIES' AND STATE LEGISLATIVE OFFICES' POSITIONS ON LEGISLATION PENDING BEFORE THE STATE LEGISLATURE OR THE VOTERS

WHEREAS, private business entities are various business organizations or groups that are not government affiliated and are privately owned, either by an individual or group; and,

WHEREAS, from time to time private business entities send requests to the city for support of its position on certain legislation that is before the State Legislature or before the voters; and,

WHEREAS, state legislative offices often propose legislation impacting the City of Grand Terrace, and may require the City to take a position on the legislation before the State Legislature or the voters; and

WHEREAS, the City Council wishes to provide a method for a quick response to the aforementioned request for support by authorizing the Mayor to sign letters of support, on behalf of the City Council, without the necessity of calendaring the letters on a City Council Agenda for a formal vote; and,

WHEREAS, the City Council on August 10, 2006, adopted the City of Grand Terrace Council Procedures, which the Council revised on September 27, 2022, to set forth rules of procedure for the conduct the business of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Section 3.6 of Chapter III of the City of Grand Terrace Council Procedures is hereby amended as follows:

3.6 AUTHORITY TO SIGN LETTERS OF SUPPORT – The Mayor is authorized to respond to requests for support from the League of California Cities, the California Joint Powers Insurance Authority, a legislative office, and various private business entities relating to the respective organizations' position on legislation before the State legislature or the voters by signing a letter in support on behalf of the City Council, without

a formal vote of the City Council. Prior to signing the aforementioned letter of support, the request for support from League of California Cities, the California Joint Powers Insurance Authority, a legislative office, and/or private business entity shall be distributed to all members of the City Council. Unless the Mayor or City Manager receives a request from a Council member to place the request for support on a council agenda within seventy-two hours of the aforementioned documents being sent, the Mayor may sign the requested letter of support and cause it to be returned to the League of California Cities, the California Joint Powers Insurance Authority, the legislative office, and/or private business entity.

SECTION 2. The City Clerk shall certify to the passage and adoption of this Resolution, and it shall take effect immediately and be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Grand Terrace at a regular meeting held on the 13th day of May 2025.

Bill Hussey
Mayor

ATTEST:

Daysi Alcocer
City Clerk

APPROVED AS TO FORM:

Adrian R. Guerra
City Attorney

City of Grand Terrace Council Procedures



Adopted August 10, 2006

Revised 01/13/2015, 06/25/2019, 05/25/2021, 09/27/2022, and 10/10/23

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I

MEETINGS

The **Ralph M. Brown Act**, commencing at Government Code Section 54950 *et seq.*, ("Brown Act") governs the meetings of the City Council. Except for very limited circumstances, the Brown Act requires that all City Council meetings be conducted in open session.

- 1.1 **REGULAR MEETINGS.** The Regular City Council Meetings are held on the second and fourth Tuesday of every month, beginning at 6:00 p.m.
- 1.2 **ADJOURNED MEETINGS.** Any regular or adjourned meeting may be adjourned to a time, place, and date certain, but not beyond the next regular meeting.
- 1.3 **SPECIAL MEETINGS.** A special meeting may be called at any time by the Presiding Officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally, by fax or e-mail or by any other means and shall be received at least 24-hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at, or prior to, the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telegram, fax or e-mail. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.
- 1.4 **EMERGENCY MEETINGS.** In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Government Code Section 54956, or both of the notice and posting requirements.
- 1.5 **CLOSED SESSIONS - MATTERS OF DISCUSSION.** Any matter proposed to be considered in closed session must appear on the posted agenda unless added on an emergency basis in the same manner as required for items on the open agenda. Closed session item descriptions shall generally comply with Government Code Section 54954.5. Following the conclusion of closed session, any action taken shall be reported in open session if required by Government Code Section 54957.1. All meetings of the Council shall be open to the public; however, the Council may hold Closed Sessions, from which the public may be excluded, for consideration of the following subjects:

- a. Pending litigation;
- b. Threatened or anticipated litigation against the local agency;
- c. Commencement of litigation;
- d. Real estate negotiations;
- e. Public Employment; and
- f. Labor Negotiations

1.6 CLOSED SESSIONS - REPORT OF ACTION/STATEMENT OF REASONS.

Any matter proposed to be considered in closed session must appear on the posted agenda unless added on an emergency basis in the same manner as required for items on the open agenda. Closed session item descriptions shall generally comply with Government Code Section 554954.5. Following the conclusion of closed session, any action taken shall be reported in open session if required by Government Code Section 54957.1. Prior to, or after, a Closed Session, the Council shall state the general reason, or reasons, for the Closed Session. The Council may consider only those items covered in the statement.

1.7 QUORUM. A majority of the Council (three members) shall be sufficient to conduct business. In the absence of a majority of the Council Members from a regular or adjourned meeting, the City Clerk may declare the meeting adjourned to a stated day and hour.

Motions may be passed by a 2-1 vote if only three Members are present. However, the following matters require a minimum of three affirmative votes:

- a. Ordinances (emergency/urgency ordinances require four affirmative votes);
- b. Resolutions;
- c. Orders for payment of money;
- d. Selection of Officers (exclusive of Presiding Officer).

1.8 MEETING END TIME. Except as to matters discussed in closed session in compliance with the Brown Act, City Council meetings shall conclude at 10:00 P.M. If the City Council desires to continue after 10:00 P.M., then a motion may be made to extend the meeting after 10:00 P.M., provided that such a motion shall specify the proposed meeting end time and shall require a second (e.g., "I move to extend the meeting end time to 11:00 P.M."). This motion shall require approval of a majority of the City Council members then voting in order to pass.

II

ORDER OF BUSINESS

2.1 AGENDA. The order of business of Council meetings will be listed in the Agenda prepared by the City Clerk. The Council will follow the order of business in the prepared Agenda; items of general, or special, interest may be taken out of order by the **Chair** or by a majority vote of the Council.

- a. **Consent Calendar.** Consent Calendar items are considered by Council to be routine and noncontroversial and will all be enacted by one motion in the form listed. There will be no separate discussion of these items prior to the time the Council votes on the motion to adopt unless members of the Council, Staff, or the public request specific items be removed from the Consent Calendar for separate action. The Check Register will routinely appear on the Consent Calendar.

Any Council Member may request that an item be removed from the Consent Calendar. Removed items will be heard immediately after approval of the remaining items on the Consent Calendar or later in the meeting. If a Council Member removes an item from the Consent Calendar, then he or she shall have the responsibility to make a motion on the item (e.g., a motion to approve, deny, continue, etc.).

No request for funds from the City may be considered on Consent Calendar.

- b. **Public Comment.** This is the opportunity for members of the public to comment on any items not appearing on the regular agenda. Because of restrictions contained in California Law, the City Council may not discuss, or act on, any item not on the agenda, but may briefly respond to statements made or ask a question for clarification. The **Chair** may also request a brief response from staff to questions raised during public comment or may request a matter be agendaized for a future meeting.

Public Comment shall be placed on the agenda immediately after conducting Roll Call.

- c. **Requests for Future Agenda Items by City Council.** At this time, the City Council may propose items for discussion and/or action at a future duly agendaized City Council meeting. A consensus of a majority of the quorum is required to place an item on a future agenda.
- d. **Public Comment on Agenda Items.** Members of the public will be given an opportunity to address items on the agenda, before action is taken on the items, by filing out a speaker card indicating their desire to speak on a specific agenda item.
- e. **City Council Communications.** This section shall be placed at the end of the Council Agenda, but immediately before the "City Manager Communications" section. This is an opportunity for the Mayor and Council Members to report on their activities and the actions of the Committees

upon which they sit and to bring a matter to the attention of the full Council and staff. When a Council Member travels at the City's expense serving as a representative of the City at a committee meeting or conference, the Council Member must provide an update report on that activity at the next Council meeting. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

- f. **City Manager Communications.** This is an opportunity for the City Manager to make any City-related announcements to the Council and members of the public.

- 2.2 **REQUESTS FOR FUTURE AGENDA ITEMS BY THE PUBLIC.** Any request to have an item placed on a future agenda must be made in writing and submitted to the City Clerk's office. The City Clerk will provide copies of the request to Council Members prior to the next Council meeting; however, it is the City Manager's, or majority of Council's, discretion whether to place the item on the next regular Agenda.
- 2.3 **CALL TO ORDER.** The meeting of the Council shall be called to order by the **Chair** or, in his/her absence, the **Vice Chair**. (See Section 3.1 for absence of **Chair** and **Vice Chair**.) In the absence of all Council Members, the City Clerk shall call the meeting to order and declare the same adjourned to a stated day and hour. The meetings will be opened with invocation and the Pledge of Allegiance.
- 2.4 **ROLL CALL.** A roll call of **Chair** and Council Members will be conducted by the City Clerk, who enters the names of those present and those absent in the Minutes.
- 2.5 **ABSENCE OF CITY CLERK.** If the City Clerk is absent from a Council meeting, the Deputy City Clerk acts in the Clerk's behalf. If there is no Clerk or Deputy present, the **Chair** shall appoint a Council Member to serve as City Clerk Pro Tempore (Gov't Code § 36804).
- 2.6 **PREPARATION/APPROVAL OF MINUTES.** It is the City Clerk's responsibility to maintain a record (Minutes) of Council meetings. The Clerk shall have exclusive responsibility for preparation of the Minutes, and any directions for changes in the Minutes may be made only by Council action.

In order to maintain a full and true Minute record, the Minutes shall consist of a clear and concise statement of each and every Council action including motions made and the vote thereon. Items may be included if considered to be particularly relevant or otherwise necessary by the Clerk. Action Minutes will be taken of all City Council meetings (Regular, Special; Emergency) by the City Clerk, or designee. Any Council Member may request a statement be included in the Minutes by indicating "for the record."

The Minutes shall also include hyperlinks to allow access to staff reports, attachments and any presentation materials (e.g., PowerPoint presentations) presented to the City Council.

- 2.7 **PUBLIC HEARINGS.** It is the policy of the Council to assure that the due process rights of all persons are protected during City hearings. A “quasi-judicial” hearing is a hearing that requires a higher level of procedural due process because of the potential impact on life, liberty or property). Usually, quasi-judicial hearings involve a single parcel of land and apply facts and evidence in the context of existing law. Findings must be stated to explain the evidentiary basis for the Council’s decision.

The following procedure is suggested for conducting public hearings in which there is an **applicant** (e.g., land use applications):

- a. **Chair states the Public Hearing Item.**
- b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
- c. **Staff Presentation and recommendation on the Public Hearing Item.**
- d. **Council asks questions of Staff.**
- e. **Open the Public Hearing.**
 1. **Applicant’s presentation on the Public Hearing Item.**
 2. **Council asks questions of the Applicant.**
 3. **Public Testimony in favor and against the Public Hearing Item.**
 4. **Applicant’s rebuttal.**
- f. **Close the Public Hearing.**
- g. **Council deliberates on the Public Hearing item.**
- h. **Council votes.**

The following procedure is suggested for conducting public hearing in which there is **no applicant** (e.g., a City-initiated change to the Development Code):

- a. **Chair states the Public Hearing Item.**
- b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
- c. **Staff Presentation and recommendation on the Public Hearing Item.**
- d. **Council asks questions of Staff.**

- e. **Open the Public Hearing to allow public testimony in favor and against the Public Hearing Item.**
- f. **Close the Public Hearing.**
- g. **Council deliberates on the Public Hearing Item.**
- h. **Council votes on the item.**

Council Members should also refrain from asking questions or, in any way, interfere with the “public testimony” portion of the Public Hearing section.

2.8 **RESOLUTIONS**

Resolutions Not Prepared in Advance of a City Council meeting: When a resolution has not been prepared in advance of a City Council meeting, the procedure shall be to instruct the City Attorney to prepare a resolution for presentation at the next Council Meeting.

Urgency Resolutions: In matters of urgency, a resolution may be presented verbally, with specific instructions to the City Attorney and staff for written preparation of the urgency resolution. After the resolution has been verbally stated, the resolution may be adopted by three affirmative votes. Urgency resolutions shall be avoided except when absolutely necessary.

2.9 **ORDINANCES**

Consent Calendar Agenda Item #1, on the City Council agenda shall waive full reading of all ordinances on the City Council agenda.

Council will approve the introduction, or first reading, of the ordinance, by title only and if approved, the adoption and second reading will be scheduled for the following Council meeting.

The first reading of a proposed ordinance will be placed under the “New Business” or “Public Hearing” sections of the agenda pursuant to applicable law. The second reading of a proposed ordinance will be placed on the Consent Calendar except as otherwise required by applicable law.

With the exception of urgency (emergency) ordinances, no ordinance shall be adopted by the Council on the date of introduction, nor within five days thereafter, nor at any time other than a regular or adjourned regular meeting. An ordinance must be adopted, at its second reading, by at least three affirmative votes, and becomes effective 30 days thereafter (an urgency ordinance requires a minimum of four affirmative votes and becomes effective immediately, Ref: Sec. 2.10).

If an ordinance is altered after first reading, a motion for an amended first reading

is required. The ordinance shall not be considered for adoption until five days thereafter. Correction of a typographical or clerical error does not constitute alteration of the ordinance.

- 2.10 **URGENCY ORDINANCES (EMERGENCY).** An ordinance which is necessary to go into effect immediately and requires a four-fifths vote to do so. It is required, however, to be on the regular posted City Council agenda.
- 2.11 **CONSIDERATION OF ITEMS NOT ON THE CITY COUNCIL AGENDA.** No matters, other than those appearing on the Agenda, will be acted upon by the City Council, except matters which are deemed to be of an emergency nature requiring action prior to the next regular meeting and which arose after the posting of the Agenda. Adding such items requires a four-fifths vote of the City Council.
- 2.12 **ADJOURNMENT.** Adjournment of the meeting to the next regular meeting does not require a motion. A motion is required to adjourn a meeting to an adjourned meeting specifying the date, time, and place of said adjourned meeting.

III

PRESIDING OFFICER

- 3.1 **PRESIDING OFFICER.** The **Chair** shall be the Presiding Officer at all meetings of the Council. In the absence of the **Chair**, the **Vice Chair** shall preside. In the absence of both the **Chair and Vice Chair**, the Council shall elect a temporary Presiding Officer to serve until the arrival of the **Chair** or **Vice Chair**, or until adjournment.

The terms "Presiding Officer," "Mayor," and "Chair" shall be used interchangeably within this manual.

- 3.2 **PARTICIPATION OF PRESIDING OFFICER.** The Presiding Officer is, primarily, responsible for the conduct of the meeting; may move, second, and debate from the Chair, subject only to such limitations of debate as are imposed on all Council Members; and shall not be deprived of any such rights and privileges.
- 3.3 **QUESTION (MOTION) TO BE STATED.** The Presiding Officer shall verbally restate each motion immediately prior to calling for the vote. Following the vote, the City Clerk shall announce whether the motion carried or was defeated. In cases where the action of the Council may be unclear for those in the audience, the **Chair** shall summarize the action of the Council before proceeding to the next item of business.
- 3.4 **SIGNING OF DOCUMENT.** Subject to Council policy, the **Chair** shall sign ordinances, resolutions, and contracts approved by the Council at meetings at which he/she is in attendance. In the event of his/her absence, the **Vice Chair**

shall sign all such documents approved and adopted by Council.

- 3.5 **MAINTENANCE OF ORDER.** The **Chair** is responsible for the maintenance of order and decorum at all times. No person shall be allowed to speak who has not first been recognized by the Chair. All questions and remarks shall be addressed to the Chair.
- 3.6 **AUTHORITY TO SIGN RESOLUTIONS OF SUPPORT.** The Mayor is authorized to respond to requests for support by the League of California Cities ~~and,~~ the California Joint Powers Insurance Authority, a legislative office, and various private business entities of its relating to the respective organization's position on legislation before the State legislature or the voters ~~with a signed resolution and/or letter by signing a letter in support,~~ on behalf of the City Council, without a formal vote of the City Council. Prior to signing the aforementioned letter of resolution and/or of support, the request for support from League of California Cities, ~~and/or~~ the California Joint Powers Insurance Authority, a legislative office, and/or private business entity will shall be distributed to all members of the City Council. Unless the Mayor or City Manager receives a request from a Council member to place the request for support on a council agenda within seventy-two hours of the aforementioned documents being sent, the Mayor ~~shall~~ may sign the ~~resolution/letter requested letter of support~~ and cause it to be returned to the League of California Cities, ~~and/or~~ the California Joint Powers Insurance Authority, the legislative office, and/or private business entity.

IV

RULES, DECORUM, AND ORDER

- 4.1 **POINTS OF ORDER.** The Presiding Officer shall determine all Points of Order subject to the right of any Council Member to appeal to the Council. If any appeal is taken, the question shall be in the following form: "Shall the decision of the Presiding Officer be sustained?" In this event, a majority vote shall govern and conclusively determine such question of order.

4.2 **DECORUM AND ORDER – COUNCIL MEMBERS**

1. Every Council Member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself/herself to the question under debate.
2. Every Council Member desiring to question the administrative staff shall address questions to the City Manager or City Attorney, who shall be entitled to either answer the inquiry or designate a member of staff for that purpose.
3. A Council Member who is recognized to speak by the Presiding Officer shall not be interrupted except in the following circumstances: (i) a point of order is raised by another Council Member; or (ii) the recognized Council Member yields to questions from another Council Member.
4. A Council Member who is called to order while speaking shall cease speaking until the question of order is determined. If ruled to be not in order, the Council Member shall remain silent or shall alter the remarks so as to comply with rules of the Council.
5. The **Chair** and Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the Council and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments, and statements as to motives and personalities.
6. Any Council Member may move to require the **Chair** to enforce the rules, and the affirmative vote of a majority of the Council shall require the **Chair** to so act.

4.3 **DECORUM AND ORDER – EMPLOYEES.** Members of the Administrative staff and employees of the City shall observe the same rules of procedure and decorum applicable to members of the Council. The City Manager shall ensure that all City Employees observe such decorum.

Any Staff member, including the City Manager, desiring to address the Council shall first be recognized by the Chair. All remarks shall be addressed to the Chair, and not to anyone individual Council Member or public member.

4.4 **DECORUM AND ORDER – PUBLIC.** The City Council, elected by the public, must be free to discuss issues confronting the City in an orderly environment.

- a. Any member of the public who engages in disorderly behavior that actually disrupts, disturbs or otherwise impedes the orderly conduct of any City Council meeting shall, upon an order by the Presiding Officer or a majority of the City Council, be barred from further audience before the City Council during that meeting, pursuant to the provisions of subsection (c), below.
- b. Disorderly behavior under subsection (a) may include, but is not limited to, the following:

1. Speaking without being recognized by the Presiding Officer.
 2. Continuing to speak after the allotted time has expired.
 3. Speaking on an item at a time not designated for discussion by the public of that item.
 4. Throwing objects.
 5. Clapping, booing, or making any other noises that disrupt the meeting.
 6. Speaking on an issue that is not within the jurisdiction of the City Council.
 7. Attempting to engage the audience rather than the City Council.
 8. Refusing to modify conduct after being advised by the Presiding Officer that the conduct is disrupting the meeting or disobeying any other lawful order of the Presiding Officer or a majority of the City Council
- c. Enforcement. The rules of conduct while addressing the City Council set forth above shall be enforced in the following manner:

1. Call to order and warning to desist. Whenever practicable, the Presiding Officer or a majority of the City Council shall give a warning to the person who is breaching the rules of conduct to be orderly and to comply with the rules of conduct hereunder. Such a warning shall articulate the rule of conduct being violated and the manner in which the person must comply.

A warning shall not be necessary when it would not be effective under the circumstances, including when, but not limited to, the disturbance is such that the warning cannot be heard above the noise, or the conduct of the person or persons constitutes an immediate threat to public safety, such as the throwing of objects or specific threats of harm and the apparent, present ability to carry out such threats. A warning shall also not be necessary when an individual violates the rules of conduct more than once during a Council meeting, or continuously violates the rules of conduct Council meeting after Council meeting.

2. Order barring person from meeting. A person who engages in disorderly behavior shall be barred from the remainder of that council meeting by the Presiding Officer or a majority of the City Council when that person: (i) continues the disorderly behavior after receiving a warning pursuant to subsection (c)(1); (ii) ceases the disorderly behavior upon receiving a warning pursuant to subsection (c)(1), but later in the same council meeting resumes such disorderly behavior; or (iii) engages in disorderly behavior and no warning is practicable under the circumstances, pursuant to subsection (c)(1).

The continuation of disorderly behavior after receiving a warning, repeated disorderly behavior during a Council meeting, disorderly behavior at Council meeting after Council meeting, or disorderly behavior that is so significant that a warning cannot be given,

constitutes the type of behavior that actually disrupts, disturbs or otherwise impedes the orderly conduct of a City Council meeting.

3. Removal. If the person barred from the meeting does not voluntarily remove him/herself upon being instructed to do so by the Presiding Officer or a majority of the City Council, the Presiding Officer or the majority of the City Council may direct the sergeant-at-arms to remove that person from the Council Chamber.
- 4.5 **PERSONAL INTEREST** - No Council Members prevented from voting by legal conflict of interest shall remain at the Council dais during the debate and vote on any such matter. In the event of such conflict, the Council Members shall state for the record the basis for the conflict of interest and leave the Council dais prior to the commencement of discussion of the issue.
- 4.6 **LIMITATION OF DEBATE** - No Council Member shall be allowed to speak more than once upon any subject until every other Council Member choosing to speak has spoken. Merely asking a question or making a suggestion is not considered as speaking.
- 4.7 **DISSENT AND PROTEST** - Any Council Member shall have the right to express dissent from, or protest to, any action of the Council and request that the reason be entered into the Minutes.
- 4.8 **PROCEDURES AND RULES** - In a rule to govern a point of procedure, Rosenberg's Rules of Order shall govern, unless there is a conflict between the rules set forth herein in Sections 1.1 through 7.4, at which point Sections 1.1 through 7.4 shall govern.
- 4.9 **SERGEANT AT ARMS** – The assigned Deputy of the San Bernardino County Sheriff's Department who attends the City Council Meeting is designated the Sergeant of Arms.
- 4.10 **MEETING DISRUPTIONS** – In the event that there is a disruption that results in the Council not being able to conduct its business, the Chair may immediately recess the meeting for a defined period of time. In the event that the disruption continues in a manner that prevents the Council from conducting its business after reconvening, then the Chair may order the Sergeant-at-Arms to remove the disruptive members of the public from the Council Chambers.
- 4.11 **ENFORCEMENT** – In order for the public to maintain a reasonable modicum of reliance upon the rules and regulations of a civil administration whose purpose it is to provide necessary services and protect the freedom of the governed, it is necessary for elected and appointed representatives to conduct the public business in accordance with established oaths, protocols, standards, policies, rules, resolutions, and laws. While ordered discussion and debate is a necessary product of communication between the public and their representatives to ensure

the needs of the community are properly served, no real purpose may be served in an atmosphere of chaos. Therefore, the violation of civil administration, albeit the nature of which is largely self-enforced, must carry certain consequences to remind parties that disorder contravenes progress and the fruit that proper behavioral procedure yields.

- a. For the purposes of this Section 4.11, the following definitions apply unless context dictates otherwise:

“**Legislative Body**” shall mean the City Council, its boards, commissions, and committees as applicable.

“**Member**” shall mean a member of the Legislative Body as applicable.

- b. **Oath of Office**

Tradition dictates the espousal of certain conventions that bear historical and moral significance in the hearts of generations. Oaths are intended to impress upon the mind of the swearer a sense of gravity appurtenant to vesting oneself in selfless service for the benefit of others. The following Oath of Office is consistent with that provided under Article XX of the California Constitution and is in similar form to that which has been voiced since the First United States Congress of 1789, and fulfills the spirit of Article VI of the United States Constitution and the Judiciary Act of 1789.

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter, so help me God.”

The phrase “so help me God” in the above shall be optional. Failure to state the phrase “so help me God” shall not affect an individual’s ability to hold office.

- c. **Acceptable Code of Conduct**

Incident to the Oath of Office is an Acceptable Code of Conduct, because to simply swear to defend is insufficient. A Member cannot be responsible for that which he or she is not aware. Cohesive conduct and order among Members are necessary elements of parliamentary procedure when conducting public business. When conducting business under color of authority, or representing their Legislative Body in general, Members shall comply with the Acceptable Code of Conduct which requires Members to do the following:

1. Read and examine the agenda, agenda packet materials, appurtenant reference documents, and exhibits in preparation for the public

meeting.

2. Respect the order of the agenda and meeting format.
3. Perform to the best of my ability to represent the interests of his or her constituents.
4. Maintain an impartial and open mind throughout the process.
5. Recuse himself or herself in the event of conflicts of interest.
6. Contribute his or her best effort to maintain order and foster trust.
7. Speak in restrained tones to encourage civility.
8. Address a topic only when granted the floor by the Chair.
9. Restrict his or her comments to the subject at hand.
10. Avoid discussion on topics that have not been noticed on the agenda.
11. Exercise common courtesy and decorum when dealing with fellow Members, City staff, and the general public.
12. Avoid bullying, pursuing personal attacks, engaging in character assassination, or indulging in verbal insults against his or her colleagues, staff or the public.
13. Support freedom of expression that is absent disruptive intent.
14. Attend all necessary meetings and workshops.
15. Provide proper advance notice in the event of an emergency that might affect his or her ability to attend meetings.
16. Foster participation in the process, facilitate discussion, and promote good decision making.
17. Form a basic understanding of correct parliamentary procedure and operate subject to the premise that the majority rules.
18. Proceed efficiently, fairly, and effectively.
19. Respect the chain of authority and refuse to circumvent the City Manager.
20. Comply with all laws, including the laws of the City of Grand Terrace.

d. Censure of Legislative Body Members

1. General

A violation of any condition of office as specified within the Oath of Office, the Acceptable Code of Conduct, or established protocols, standards, policies, rules, resolutions, and laws, by any sitting Member, shall constitute grounds for progressively stronger admonishment, ultimately leading to public censure by the City Council.

However, it should be noted that the aim of admonishment is not punitive. The aim of admonishment is to enable good people to pause and reflect. Therefore, a Member may not be made the subject of a motion for censure vote without first being given notice of the violation and an opportunity to correct the violation, if it can reasonably be corrected. For the purposes of participation in local governance, one must assume the best in each other, and a common foundation constitutes the best path to civil and productive discourse. In order to model unity, as well as civility, Members should treat each other and members of the public with dignity and respect.

2. Who May file a Statement of Charges

A sitting City Council member may initiate corrective action regarding the behavior of a fellow sitting City Council member by initiating the censure process described in this Section 4.11.

Furthermore, a sitting City Council member may initiate corrective action by the censure process described in this Section 4.11 against any sitting member of any City board, commission, or committee. For example, a sitting City Council member may initiate corrective action against a sitting member of the City's Planning Commission/Site and Architectural Review Board. However, members of City boards, commissions, or committees may not initiate any corrective action pursuant to this Section X against any City Council members, because such boards, commission, and committees are subordinate to the City Council.

3. Censure Procedure

Procedures. Censure of a Member shall proceed as follows:

- (i) Opportunity to Correct. To initiate the process, a charging Member shall first provide a charged Member notice of the alleged violation. The charged Member shall be provided an opportunity to correct such alleged violation, if it can reasonably be corrected.
- (ii) Statement of Charges. If the charged Member does not correct the alleged violation, then a Statement of Charges shall be prepared and delivered by the charging Member to the charged

Member, with a conformed copy delivered concurrently to the City Clerk and other Members. The charging Member shall also concurrently provide a proof of service of the Statement of Charges to the charged Member, the City Clerk, and other Members. In the case of a City Council member delivering a Statement of Charges to a Member of a City board, commission, or committee, then such Statement of Charges and proof of service shall be delivered to the charged Member, the City Clerk, other City Council members, and other members of the relevant board, commission, or committee. A proper Statement of Charges shall be served as provided above a minimum of 10 days prior to the meeting when the motion for censure shall be made, and shall include:

- A. The specifics of the violation (including the rule, regulation, law, etc. that was violated), and
- B. A statement of the date, place, and time of the occurrence, and
- C. A description of the unsatisfactory behavior.

(iii) Response to Statement of Charges. The charged Member may respond to the Statement of Charges in writing within seven (7) days after delivery of the Statement of Charges by delivering it to the charging Member, with a conformed copy delivered concurrently to the City Clerk and other Members. The charged Member shall also concurrently provide a proof of service of the Response to Statement of Charges to the charging Member, City Clerk and other Members. In the case of a City Council member delivering a Statement of Charges to a Member of a City board, commission, or committee, then such response and proof of service shall be delivered to the charging Member, the City Clerk, other City Council members, and other members of the relevant board, commission, or committee. The charged Member may also choose to defer a written response in favor of a verbal response at the hearing on the motion for censure. Nothing herein shall prevent a charged Member to respond both in writing and at the hearing on the motion for censure.

(iv) Hearing of Motion for Censure. The motion for censure shall be heard at the first regular meeting of the City Council ten (10) days after the Statement of Charges is served upon the charged Member and City Clerk. A continuance is allowed only if any City Council member is absent. The hearing shall adhere to the following the general process:

- A The Chair (or, if absent or is the charged Member, then

the Vice Chair) shall conduct the hearing in open session.

- B The charging Member shall read the Statement of Charges and may present witnesses and evidence.
- C The charged Member may rebut and may present witnesses and evidence.
- D Members of the public may comment on the Statement of Charges and any witnesses and evidence presented.
- E The remaining City Council members may address/comment on the charges.
- F A motion for censure may be made.
- G The City Council deliberates on the motion for censure and votes on the same.

Motion for Censure - Consideration and Passage. Motion for censure passage requires a majority vote of the City Council in open session. If the Statement of Charges includes multiple charges, then the City Council may consider and vote upon each charge individually. If the motion for censure or a particular charge fails to obtain a majority vote, no new motion on the same grounds may be commenced against the same Member for a period of one (1) year.

If the motion for censure passes, then the motion for censure and Statement of Charges shall become a part of the public record and record of proceedings. The motion for censure and Statement of Charges shall be disclosable pursuant to the California Public Records Act.

Request for Defense or Indemnification. When evaluating a request for defense or indemnification made by a censured Member in litigation arising from the censured conduct, the record of the censure shall be considered by the City Council, but shall not be determinative. Failure of the City Council to censure the conduct of a Member does not constitute waiver of the City Council's right to refuse to indemnify or defend the Member in an action.

4. Grounds for Censure

The basis for a motion of censure under this Section 4.11 may include, but are not limited to, the following acts by a Member:

- (i) Serial unexcused absences of three or more from his or her regular Legislative Body meetings.
- (ii) Violating laws and regulations relating to conflicts of interest.

- (iii) Actions taken against established Legislative Body policy or the Grand Terrace 2030 Vision (as may be amended).
- (iv) Harassment.
- (v) Creating a hostile work environment.
- (vi) Any violation of federal, State, or local laws, rules, regulations, or ordinances, including applicable laws relating to conflict of interest and any City laws, rules, regulations, or ordinances.
- (vii) Violation of the Acceptable Code of Conduct or the Oath of Office.

e. Removal from Office

1. City Council

While City Council members may censure one another as provided above, the City Council may not remove a sitting Council Member from office. State law provides the sole mechanisms for removal from office for City Council members. These include:

- (i) A Recall Petition submitted by members of the public pursuant to Cal Const. Art II, §19 and Elections Code Sections 11000-11386.
- (ii) The seat becomes vacant pursuant to Government Code Section 1770.
- (iii) Quo Warranto proceedings pursuant to Code of Civil Procedure Section 803 brought or authorized by the Attorney General to challenge the right to hold a particular office (this can work in tandem with Government Code Section 1770).
- (iv) Removal proceedings pursuant to Government Code Section 3060 for certain kinds of misconduct (initiated by grand jury/district attorney).

2. Appointed Members of City Boards, Commissions, and Committees

Members of City boards, commissions, and committees who are appointed by the City Council serve at the pleasure of the City Council and may be removed at any time, with or without cause, by the City Council. Without limitation, the City Council may use any of the Grounds for Censure (including violations of the Acceptable Code of Conduct) set forth above as a basis for removal with cause.

ADDRESSING THE COUNCIL

- 5.1 **MANNER OF ADDRESSING THE COUNCIL** - Any person desiring to address the Council shall fill out a request to speak form and wait to be recognized by the **Chair**, and after being recognized shall proceed to the podium, or microphone. Such persons are requested to state for the record his or her name and address. Remarks are to be limited to the subject under discussion.
- 5.2 **TIME LIMITATION** - Any public member addressing the Council shall limit his or her address to three (3) minutes. The **Chair** or a Council Member may move to extend the time limitation which shall be extended upon a majority vote of the Council. When any group of persons wishes to address the Council on the same subject matter, it shall be proper for the **Chair** to request that a **spokesperson** be chosen to represent the group, so as to avoid unnecessary repetition. A speaker may not yield time to another speaker.
- 5.3 **ADDRESSING THE COUNCIL AFTER MOTION IS MADE** - After a motion has been made, no person shall address the Council without securing permission by a majority consensus of the Council.
- 5.4 **WRITTEN COMMUNICATION** - Unless specifically requested otherwise, the City Manager is authorized to receive and open all mail addressed to the City Council and take any immediate administrative action required between Council meetings, which does not require specific Council action. Any communication requiring Council action will be reported to the Council at the next possible meeting, together with a report and recommendation of the City Manager.

VI

MOTIONS

- 6.1 **GENERAL PROCEDURE OF ACTING ON AGENDA ITEMS** – The following procedure is suggested for Council's consideration non-Public Hearing Agenda Items:
- a. **Chair states the Item to be considered.**
 - b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
 - c. **Staff Presentation and recommendation on the Item.**
 - d. **Council asks questions/clarifications of Staff.**
 - e. **Open Public Comments for the Item.**

- f. **Close Public Comments for the Item.**
- g. **At Council's direction, City Manager and/or Staff respond to any questions from Public Comment.**
- h. **Chair asks, "Do I have a motion?"**
- i. **If a motion is made, Chair asks "Do I have a second?"**
- j. **If there is a motion and a second, then Council proceeds with deliberation.**
- k. **After deliberation, the Council votes on the item.**

6.2 **PROCESSING OF MOTIONS** - When a motion is made and seconded, it shall be restated by the Presiding Officer before debate. A motion shall not be withdrawn by the mover without the consent of the Council Member seconding it and the approval of Council.

6.3 **DIVISION OF MOTION** - If a motion contains two or more divisible propositions, the **Chair** may, and upon request of a Council Member shall (unless appealed by another Council Member), divide the motion.

6.4 **ORDER OF MOTIONS** - When multiple motions are before the body, the last motion is voted on first.

Non-Debatable Motions:

- a. Adjourn,
- b. Recess
- c. Fix the time to adjourn

Super Majority Votes: (2/3 vote required)

- a. Limit debate
- b. Close nominations
- c. Object to the consideration of an item
- d. Suspend the rules
- e. Reconsider – *(A member of the majority of the previous vote must motion at the same or next meeting.)*

6.5 **PARTICULAR MOTIONS, PURPOSE, AND CRITERIA**

1. **Motion to Adjourn:**

Purpose - To terminate a meeting.

Debatable or Amendable - No, except a motion to adjourn to another time is debatable and amendable as to the time to which the meeting is to be

2. **Motion to Refer to Commission, Committee, or Staff:**

Purpose - To refer the question before the Council to a commission, committee, or to the City Staff for the purpose of investigating or studying the proposal and to make a report back to the Council.

If the motion fails, discussion or vote on the question resumes.

Debatable or Amendable -Yes.

3. **Motion to Amend:**

Purpose - To modify or change a motion that is being considered by the Council so it will express more satisfactorily the will of the members. If there are two amendments, the second amendment is voted upon first if it carries, it automatically cancels the first amendment, and the vote is taken on the amended motion. An amendment motion relating to a different matter shall not be in order.

Debatable or Amendable - Yes.

4. **Postpone Indefinitely:**

Purpose - To prevent further discussion and voting on the main motion. If the motion fails, discussion and voting on the main motion resumes. If it passes, the subject of main motion shall not be brought up again for the remainder of the meeting.

Debatable or Amendable - It is debatable but not amendable.

5. **Main Motion:**

Purpose - The primary proposal or question before the Council for discussion and decision. Debatable or Amendable - Yes.

VII

VOTING

7.1 **VOTING PROCEDURE** - Motions will be adopted by either electronic voting system, voice or roll call vote. The results of the vote shall be entered in full in the minutes.

7.2 **VOTING** - Every ordinance, resolution, and payment of money requires three affirmative votes. Emergency ordinances require four affirmative votes. Unless otherwise required by law, all other actions of the Council require a majority vote of the Council Members present.

7.3 **FAILURE TO VOTE** - Every Council Member should vote unless disqualified for a personal conflict of interest.

Self-disqualification, without cause, which results in a tie vote shall be avoided; but no Council Member shall be forced to vote. A Council Member who abstains shall, in effect, consent that a majority of the quorum may act for him or her. Tie votes shall be lost motions and may be reconsidered.

- 7.4 **RECONSIDERATION** - After motion and vote by the Council, such action may be reconsidered or rescinded only in the following manner:

Reconsideration:

A motion to set aside a vote (to reconsider) on a main motion shall always be in order at the same meeting or at the next regular Council meeting following the action. The motion can be made by any Council Member who voted affirmatively on the matter. If the motion to reconsider passes, the effect thereof is to overrule and cancel the prior action and rehear the original subject.

Lost Motion:

A lost motion is one that fails to receive the necessary number of votes to carry. Tie votes result in a lost motion. A tie vote which has resulted from there being present less than a full Council shall be automatically reconsidered at the next Council meeting at which all members are present. Lost motions may be renewed at any subsequent Council meeting. To revive a lost motion at the same meeting, the proper action is a motion to reconsider (discussed above).



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg

Introduction

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

- 1. Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
- 2. Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
- 3. Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
- 4. Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs, the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:



First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move ...”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”



The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.



Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

Note: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in



California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.



Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



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City of Grand Terrace Council Procedures



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I

MEETINGS

The **Ralph M. Brown Act**, commencing at Government Code Section 54950 *et seq.*, ("Brown Act") governs the meetings of the City Council. Except for very limited circumstances, the Brown Act requires that all City Council meetings be conducted in open session.

- 1.1 **REGULAR MEETINGS.** The Regular City Council Meetings are held on the second and fourth Tuesday of every month, beginning at 6:00 p.m.
- 1.2 **ADJOURNED MEETINGS.** Any regular or adjourned meeting may be adjourned to a time, place, and date certain, but not beyond the next regular meeting.
- 1.3 **SPECIAL MEETINGS.** A special meeting may be called at any time by the Presiding Officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally, by fax or e-mail or by any other means and shall be received at least 24-hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at, or prior to, the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telegram, fax or e-mail. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.
- 1.4 **EMERGENCY MEETINGS.** In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Government Code Section 54956, or both of the notice and posting requirements.
- 1.5 **CLOSED SESSIONS - MATTERS OF DISCUSSION.** Any matter proposed to be considered in closed session must appear on the posted agenda unless added on an emergency basis in the same manner as required for items on the open agenda. Closed session item descriptions shall generally comply with Government Code Section 54954.5. Following the conclusion of closed session, any action taken shall be reported in open session if required by Government Code Section 54957.1. All meetings of the Council shall be open to the public; however, the Council may hold Closed Sessions, from which the public may be excluded, for consideration of the following subjects:

- a. Pending litigation;
- b. Threatened or anticipated litigation against the local agency;
- c. Commencement of litigation;
- d. Real estate negotiations;
- e. Public Employment; and
- f. Labor Negotiations

1.6 CLOSED SESSIONS - REPORT OF ACTION/STATEMENT OF REASONS.

Any matter proposed to be considered in closed session must appear on the posted agenda unless added on an emergency basis in the same manner as required for items on the open agenda. Closed session item descriptions shall generally comply with Government Code Section 554954.5. Following the conclusion of closed session, any action taken shall be reported in open session if required by Government Code Section 54957.1. Prior to, or after, a Closed Session, the Council shall state the general reason, or reasons, for the Closed Session. The Council may consider only those items covered in the statement.

1.7 QUORUM. A majority of the Council (three members) shall be sufficient to conduct business. In the absence of a majority of the Council Members from a regular or adjourned meeting, the City Clerk may declare the meeting adjourned to a stated day and hour.

Motions may be passed by a 2-1 vote if only three Members are present. However, the following matters require a minimum of three affirmative votes:

- a. Ordinances (emergency/urgency ordinances require four affirmative votes);
- b. Resolutions;
- c. Orders for payment of money;
- d. Selection of Officers (exclusive of Presiding Officer).

1.8 MEETING END TIME. Except as to matters discussed in closed session in compliance with the Brown Act, City Council meetings shall conclude at 10:00 P.M. If the City Council desires to continue after 10:00 P.M., then a motion may be made to extend the meeting after 10:00 P.M., provided that such a motion shall specify the proposed meeting end time and shall require a second (e.g., "I move to extend the meeting end time to 11:00 P.M."). This motion shall require approval of a majority of the City Council members then voting in order to pass.

II

ORDER OF BUSINESS

2.1 AGENDA. The order of business of Council meetings will be listed in the Agenda prepared by the City Clerk. The Council will follow the order of business in the prepared Agenda; items of general, or special, interest may be taken out of order by the **Chair** or by a majority vote of the Council.

- a. **Consent Calendar.** Consent Calendar items are considered by Council to be routine and noncontroversial and will all be enacted by one motion in the form listed. There will be no separate discussion of these items prior to the time the Council votes on the motion to adopt unless members of the Council, Staff, or the public request specific items be removed from the Consent Calendar for separate action. The Check Register will routinely appear on the Consent Calendar.

Any Council Member may request that an item be removed from the Consent Calendar. Removed items will be heard immediately after approval of the remaining items on the Consent Calendar or later in the meeting. If a Council Member removes an item from the Consent Calendar, then he or she shall have the responsibility to make a motion on the item (e.g., a motion to approve, deny, continue, etc.).

No request for funds from the City may be considered on Consent Calendar.

- b. **Public Comment.** This is the opportunity for members of the public to comment on any items not appearing on the regular agenda. Because of restrictions contained in California Law, the City Council may not discuss, or act on, any item not on the agenda, but may briefly respond to statements made or ask a question for clarification. The **Chair** may also request a brief response from staff to questions raised during public comment or may request a matter be agendaized for a future meeting.

Public Comment shall be placed on the agenda immediately after conducting Roll Call.

- c. **Requests for Future Agenda Items by City Council.** At this time, the City Council may propose items for discussion and/or action at a future duly agendaized City Council meeting. A consensus of a majority of the quorum is required to place an item on a future agenda.
- d. **Public Comment on Agenda Items.** Members of the public will be given an opportunity to address items on the agenda, before action is taken on the items, by filing out a speaker card indicating their desire to speak on a specific agenda item.
- e. **City Council Communications.** This section shall be placed at the end of the Council Agenda, but immediately before the "City Manager Communications" section. This is an opportunity for the Mayor and Council Members to report on their activities and the actions of the Committees

upon which they sit and to bring a matter to the attention of the full Council and staff. When a Council Member travels at the City's expense serving as a representative of the City at a committee meeting or conference, the Council Member must provide an update report on that activity at the next Council meeting. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

- f. **City Manager Communications.** This is an opportunity for the City Manager to make any City-related announcements to the Council and members of the public.

- 2.2 **REQUESTS FOR FUTURE AGENDA ITEMS BY THE PUBLIC.** Any request to have an item placed on a future agenda must be made in writing and submitted to the City Clerk's office. The City Clerk will provide copies of the request to Council Members prior to the next Council meeting; however, it is the City Manager's, or majority of Council's, discretion whether to place the item on the next regular Agenda.
- 2.3 **CALL TO ORDER.** The meeting of the Council shall be called to order by the **Chair** or, in his/her absence, the **Vice Chair**. (See Section 3.1 for absence of **Chair** and **Vice Chair**.) In the absence of all Council Members, the City Clerk shall call the meeting to order and declare the same adjourned to a stated day and hour. The meetings will be opened with invocation and the Pledge of Allegiance.
- 2.4 **ROLL CALL.** A roll call of **Chair** and Council Members will be conducted by the City Clerk, who enters the names of those present and those absent in the Minutes.
- 2.5 **ABSENCE OF CITY CLERK.** If the City Clerk is absent from a Council meeting, the Deputy City Clerk acts in the Clerk's behalf. If there is no Clerk or Deputy present, the **Chair** shall appoint a Council Member to serve as City Clerk Pro Tempore (Gov't Code § 36804).
- 2.6 **PREPARATION/APPROVAL OF MINUTES.** It is the City Clerk's responsibility to maintain a record (Minutes) of Council meetings. The Clerk shall have exclusive responsibility for preparation of the Minutes, and any directions for changes in the Minutes may be made only by Council action.

In order to maintain a full and true Minute record, the Minutes shall consist of a clear and concise statement of each and every Council action including motions made and the vote thereon. Items may be included if considered to be particularly relevant or otherwise necessary by the Clerk. Action Minutes will be taken of all City Council meetings (Regular, Special; Emergency) by the City Clerk, or designee. Any Council Member may request a statement be included in the Minutes by indicating "for the record."

The Minutes shall also include hyperlinks to allow access to staff reports, attachments and any presentation materials (e.g., PowerPoint presentations) presented to the City Council.

- 2.7 **PUBLIC HEARINGS.** It is the policy of the Council to assure that the due process rights of all persons are protected during City hearings. A “quasi-judicial” hearing is a hearing that requires a higher level of procedural due process because of the potential impact on life, liberty or property). Usually, quasi-judicial hearings involve a single parcel of land and apply facts and evidence in the context of existing law. Findings must be stated to explain the evidentiary basis for the Council’s decision.

The following procedure is suggested for conducting public hearings in which there is an **applicant** (e.g., land use applications):

- a. **Chair states the Public Hearing Item.**
- b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
- c. **Staff Presentation and recommendation on the Public Hearing Item.**
- d. **Council asks questions of Staff.**
- e. **Open the Public Hearing.**
 1. **Applicant’s presentation on the Public Hearing Item.**
 2. **Council asks questions of the Applicant.**
 3. **Public Testimony in favor and against the Public Hearing Item.**
 4. **Applicant’s rebuttal.**
- f. **Close the Public Hearing.**
- g. **Council deliberates on the Public Hearing item.**
- h. **Council votes.**

The following procedure is suggested for conducting public hearing in which there is **no applicant** (e.g., a City-initiated change to the Development Code):

- a. **Chair states the Public Hearing Item.**
- b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
- c. **Staff Presentation and recommendation on the Public Hearing Item.**
- d. **Council asks questions of Staff.**

- e. **Open the Public Hearing to allow public testimony in favor and against the Public Hearing Item.**
- f. **Close the Public Hearing.**
- g. **Council deliberates on the Public Hearing Item.**
- h. **Council votes on the item.**

Council Members should also refrain from asking questions or, in any way, interfere with the “public testimony” portion of the Public Hearing section.

2.8 **RESOLUTIONS**

Resolutions Not Prepared in Advance of a City Council meeting: When a resolution has not been prepared in advance of a City Council meeting, the procedure shall be to instruct the City Attorney to prepare a resolution for presentation at the next Council Meeting.

Urgency Resolutions: In matters of urgency, a resolution may be presented verbally, with specific instructions to the City Attorney and staff for written preparation of the urgency resolution. After the resolution has been verbally stated, the resolution may be adopted by three affirmative votes. Urgency resolutions shall be avoided except when absolutely necessary.

2.9 **ORDINANCES**

Consent Calendar Agenda Item #1, on the City Council agenda shall waive full reading of all ordinances on the City Council agenda.

Council will approve the introduction, or first reading, of the ordinance, by title only and if approved, the adoption and second reading will be scheduled for the following Council meeting.

The first reading of a proposed ordinance will be placed under the “New Business” or “Public Hearing” sections of the agenda pursuant to applicable law. The second reading of a proposed ordinance will be placed on the Consent Calendar except as otherwise required by applicable law.

With the exception of urgency (emergency) ordinances, no ordinance shall be adopted by the Council on the date of introduction, nor within five days thereafter, nor at any time other than a regular or adjourned regular meeting. An ordinance must be adopted, at its second reading, by at least three affirmative votes, and becomes effective 30 days thereafter (an urgency ordinance requires a minimum of four affirmative votes and becomes effective immediately, Ref: Sec. 2.10).

If an ordinance is altered after first reading, a motion for an amended first reading

is required. The ordinance shall not be considered for adoption until five days thereafter. Correction of a typographical or clerical error does not constitute alteration of the ordinance.

- 2.10 **URGENCY ORDINANCES (EMERGENCY).** An ordinance which is necessary to go into effect immediately and requires a four-fifths vote to do so. It is required, however, to be on the regular posted City Council agenda.
- 2.11 **CONSIDERATION OF ITEMS NOT ON THE CITY COUNCIL AGENDA.** No matters, other than those appearing on the Agenda, will be acted upon by the City Council, except matters which are deemed to be of an emergency nature requiring action prior to the next regular meeting and which arose after the posting of the Agenda. Adding such items requires a four-fifths vote of the City Council.
- 2.12 **ADJOURNMENT.** Adjournment of the meeting to the next regular meeting does not require a motion. A motion is required to adjourn a meeting to an adjourned meeting specifying the date, time, and place of said adjourned meeting.

III

PRESIDING OFFICER

- 3.1 **PRESIDING OFFICER.** The **Chair** shall be the Presiding Officer at all meetings of the Council. In the absence of the **Chair**, the **Vice Chair** shall preside. In the absence of both the **Chair and Vice Chair**, the Council shall elect a temporary Presiding Officer to serve until the arrival of the **Chair** or **Vice Chair**, or until adjournment.

The terms "Presiding Officer," "Mayor," and "Chair" shall be used interchangeably within this manual.

- 3.2 **PARTICIPATION OF PRESIDING OFFICER.** The Presiding Officer is, primarily, responsible for the conduct of the meeting; may move, second, and debate from the Chair, subject only to such limitations of debate as are imposed on all Council Members; and shall not be deprived of any such rights and privileges.
- 3.3 **QUESTION (MOTION) TO BE STATED.** The Presiding Officer shall verbally restate each motion immediately prior to calling for the vote. Following the vote, the City Clerk shall announce whether the motion carried or was defeated. In cases where the action of the Council may be unclear for those in the audience, the **Chair** shall summarize the action of the Council before proceeding to the next item of business.
- 3.4 **SIGNING OF DOCUMENT.** Subject to Council policy, the **Chair** shall sign ordinances, resolutions, and contracts approved by the Council at meetings at which he/she is in attendance. In the event of his/her absence, the **Vice Chair**

shall sign all such documents approved and adopted by Council.

- 3.5 **MAINTENANCE OF ORDER.** The **Chair** is responsible for the maintenance of order and decorum at all times. No person shall be allowed to speak who has not first been recognized by the Chair. All questions and remarks shall be addressed to the Chair.
- 3.6 **AUTHORITY TO SIGN RESOLUTIONS OF SUPPORT.** The Mayor is authorized to respond to requests for support by the League of California Cities, the California Joint Powers Insurance Authority, a legislative office, and various private business entities relating to the respective organization's position on legislation before the State legislature or the voters by signing a letter in support on behalf of the City Council, without a formal vote of the City Council. Prior to signing the aforementioned letter of support, the request for support from League of California Cities, the California Joint Powers Insurance Authority, a legislative office, and/or private business entity shall be distributed to all members of the City Council. Unless the Mayor or City Manager receives a request from a Council member to place the request for support on a council agenda within seventy-two hours of the aforementioned documents being sent, the Mayor may sign the requested letter of support and cause it to be returned to the League of California Cities, the California Joint Powers Insurance Authority, the legislative office, and/or private business entity.

IV

RULES, DECORUM, AND ORDER

- 4.1 **POINTS OF ORDER.** The Presiding Officer shall determine all Points of Order subject to the right of any Council Member to appeal to the Council. If any appeal is taken, the question shall be in the following form: "Shall the decision of the Presiding Officer be sustained?" In this event, a majority vote shall govern and conclusively determine such question of order.

4.2 **DECORUM AND ORDER – COUNCIL MEMBERS**

1. Every Council Member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself/herself to the question under debate.
2. Every Council Member desiring to question the administrative staff shall address questions to the City Manager or City Attorney, who shall be entitled to either answer the inquiry or designate a member of staff for that purpose.
3. A Council Member who is recognized to speak by the Presiding Officer shall not be interrupted except in the following circumstances: (i) a point of order is raised by another Council Member; or (ii) the recognized Council Member yields to questions from another Council Member.
4. A Council Member who is called to order while speaking shall cease speaking until the question of order is determined. If ruled to be not in order, the Council Member shall remain silent or shall alter the remarks so as to comply with rules of the Council.
5. The **Chair** and Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the Council and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments, and statements as to motives and personalities.
6. Any Council Member may move to require the **Chair** to enforce the rules, and the affirmative vote of a majority of the Council shall require the **Chair** to so act.

4.3 **DECORUM AND ORDER – EMPLOYEES.** Members of the Administrative staff and employees of the City shall observe the same rules of procedure and decorum applicable to members of the Council. The City Manager shall ensure that all City Employees observe such decorum.

Any Staff member, including the City Manager, desiring to address the Council shall first be recognized by the Chair. All remarks shall be addressed to the Chair, and not to anyone individual Council Member or public member.

4.4 **DECORUM AND ORDER – PUBLIC.** The City Council, elected by the public, must be free to discuss issues confronting the City in an orderly environment.

- a. Any member of the public who engages in disorderly behavior that actually disrupts, disturbs or otherwise impedes the orderly conduct of any City Council meeting shall, upon an order by the Presiding Officer or a majority of the City Council, be barred from further audience before the City Council during that meeting, pursuant to the provisions of subsection (c), below.
- b. Disorderly behavior under subsection (a) may include, but is not limited to, the following:

1. Speaking without being recognized by the Presiding Officer.
 2. Continuing to speak after the allotted time has expired.
 3. Speaking on an item at a time not designated for discussion by the public of that item.
 4. Throwing objects.
 5. Clapping, booing, or making any other noises that disrupt the meeting.
 6. Speaking on an issue that is not within the jurisdiction of the City Council.
 7. Attempting to engage the audience rather than the City Council.
 8. Refusing to modify conduct after being advised by the Presiding Officer that the conduct is disrupting the meeting or disobeying any other lawful order of the Presiding Officer or a majority of the City Council
- c. Enforcement. The rules of conduct while addressing the City Council set forth above shall be enforced in the following manner:

1. Call to order and warning to desist. Whenever practicable, the Presiding Officer or a majority of the City Council shall give a warning to the person who is breaching the rules of conduct to be orderly and to comply with the rules of conduct hereunder. Such a warning shall articulate the rule of conduct being violated and the manner in which the person must comply.

A warning shall not be necessary when it would not be effective under the circumstances, including when, but not limited to, the disturbance is such that the warning cannot be heard above the noise, or the conduct of the person or persons constitutes an immediate threat to public safety, such as the throwing of objects or specific threats of harm and the apparent, present ability to carry out such threats. A warning shall also not be necessary when an individual violates the rules of conduct more than once during a Council meeting, or continuously violates the rules of conduct Council meeting after Council meeting.

2. Order barring person from meeting. A person who engages in disorderly behavior shall be barred from the remainder of that council meeting by the Presiding Officer or a majority of the City Council when that person: (i) continues the disorderly behavior after receiving a warning pursuant to subsection (c)(1); (ii) ceases the disorderly behavior upon receiving a warning pursuant to subsection (c)(1), but later in the same council meeting resumes such disorderly behavior; or (iii) engages in disorderly behavior and no warning is practicable under the circumstances, pursuant to subsection (c)(1).

The continuation of disorderly behavior after receiving a warning, repeated disorderly behavior during a Council meeting, disorderly behavior at Council meeting after Council meeting, or disorderly behavior that is so significant that a warning cannot be given,

constitutes the type of behavior that actually disrupts, disturbs or otherwise impedes the orderly conduct of a City Council meeting.

3. Removal. If the person barred from the meeting does not voluntarily remove him/herself upon being instructed to do so by the Presiding Officer or a majority of the City Council, the Presiding Officer or the majority of the City Council may direct the sergeant-at-arms to remove that person from the Council Chamber.
- 4.5 **PERSONAL INTEREST** - No Council Members prevented from voting by legal conflict of interest shall remain at the Council dais during the debate and vote on any such matter. In the event of such conflict, the Council Members shall state for the record the basis for the conflict of interest and leave the Council dais prior to the commencement of discussion of the issue.
- 4.6 **LIMITATION OF DEBATE** - No Council Member shall be allowed to speak more than once upon any subject until every other Council Member choosing to speak has spoken. Merely asking a question or making a suggestion is not considered as speaking.
- 4.7 **DISSENT AND PROTEST** - Any Council Member shall have the right to express dissent from, or protest to, any action of the Council and request that the reason be entered into the Minutes.
- 4.8 **PROCEDURES AND RULES** - In a rule to govern a point of procedure, Rosenberg's Rules of Order shall govern, unless there is a conflict between the rules set forth herein in Sections 1.1 through 7.4, at which point Sections 1.1 through 7.4 shall govern.
- 4.9 **SERGEANT AT ARMS** – The assigned Deputy of the San Bernardino County Sheriff's Department who attends the City Council Meeting is designated the Sergeant of Arms.
- 4.10 **MEETING DISRUPTIONS** – In the event that there is a disruption that results in the Council not being able to conduct its business, the Chair may immediately recess the meeting for a defined period of time. In the event that the disruption continues in a manner that prevents the Council from conducting its business after reconvening, then the Chair may order the Sergeant-at-Arms to remove the disruptive members of the public from the Council Chambers.
- 4.11 **ENFORCEMENT** – In order for the public to maintain a reasonable modicum of reliance upon the rules and regulations of a civil administration whose purpose it is to provide necessary services and protect the freedom of the governed, it is necessary for elected and appointed representatives to conduct the public business in accordance with established oaths, protocols, standards, policies, rules, resolutions, and laws. While ordered discussion and debate is a necessary product of communication between the public and their representatives to ensure

the needs of the community are properly served, no real purpose may be served in an atmosphere of chaos. Therefore, the violation of civil administration, albeit the nature of which is largely self-enforced, must carry certain consequences to remind parties that disorder contravenes progress and the fruit that proper behavioral procedure yields.

- a. For the purposes of this Section 4.11, the following definitions apply unless context dictates otherwise:

“**Legislative Body**” shall mean the City Council, its boards, commissions, and committees as applicable.

“**Member**” shall mean a member of the Legislative Body as applicable.

- b. **Oath of Office**

Tradition dictates the espousal of certain conventions that bear historical and moral significance in the hearts of generations. Oaths are intended to impress upon the mind of the swearer a sense of gravity appurtenant to vesting oneself in selfless service for the benefit of others. The following Oath of Office is consistent with that provided under Article XX of the California Constitution and is in similar form to that which has been voiced since the First United States Congress of 1789, and fulfills the spirit of Article VI of the United States Constitution and the Judiciary Act of 1789.

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter, so help me God.”

The phrase “so help me God” in the above shall be optional. Failure to state the phrase “so help me God” shall not affect an individual’s ability to hold office.

- c. **Acceptable Code of Conduct**

Incident to the Oath of Office is an Acceptable Code of Conduct, because to simply swear to defend is insufficient. A Member cannot be responsible for that which he or she is not aware. Cohesive conduct and order among Members are necessary elements of parliamentary procedure when conducting public business. When conducting business under color of authority, or representing their Legislative Body in general, Members shall comply with the Acceptable Code of Conduct which requires Members to do the following:

1. Read and examine the agenda, agenda packet materials, appurtenant reference documents, and exhibits in preparation for the public

meeting.

2. Respect the order of the agenda and meeting format.
3. Perform to the best of my ability to represent the interests of his or her constituents.
4. Maintain an impartial and open mind throughout the process.
5. Recuse himself or herself in the event of conflicts of interest.
6. Contribute his or her best effort to maintain order and foster trust.
7. Speak in restrained tones to encourage civility.
8. Address a topic only when granted the floor by the Chair.
9. Restrict his or her comments to the subject at hand.
10. Avoid discussion on topics that have not been noticed on the agenda.
11. Exercise common courtesy and decorum when dealing with fellow Members, City staff, and the general public.
12. Avoid bullying, pursuing personal attacks, engaging in character assassination, or indulging in verbal insults against his or her colleagues, staff or the public.
13. Support freedom of expression that is absent disruptive intent.
14. Attend all necessary meetings and workshops.
15. Provide proper advance notice in the event of an emergency that might affect his or her ability to attend meetings.
16. Foster participation in the process, facilitate discussion, and promote good decision making.
17. Form a basic understanding of correct parliamentary procedure and operate subject to the premise that the majority rules.
18. Proceed efficiently, fairly, and effectively.
19. Respect the chain of authority and refuse to circumvent the City Manager.
20. Comply with all laws, including the laws of the City of Grand Terrace.

d. Censure of Legislative Body Members

1. General

A violation of any condition of office as specified within the Oath of Office, the Acceptable Code of Conduct, or established protocols, standards, policies, rules, resolutions, and laws, by any sitting Member, shall constitute grounds for progressively stronger admonishment, ultimately leading to public censure by the City Council.

However, it should be noted that the aim of admonishment is not punitive. The aim of admonishment is to enable good people to pause and reflect. Therefore, a Member may not be made the subject of a motion for censure vote without first being given notice of the violation and an opportunity to correct the violation, if it can reasonably be corrected. For the purposes of participation in local governance, one must assume the best in each other, and a common foundation constitutes the best path to civil and productive discourse. In order to model unity, as well as civility, Members should treat each other and members of the public with dignity and respect.

2. Who May file a Statement of Charges

A sitting City Council member may initiate corrective action regarding the behavior of a fellow sitting City Council member by initiating the censure process described in this Section 4.11.

Furthermore, a sitting City Council member may initiate corrective action by the censure process described in this Section 4.11 against any sitting member of any City board, commission, or committee. For example, a sitting City Council member may initiate corrective action against a sitting member of the City's Planning Commission/Site and Architectural Review Board. However, members of City boards, commissions, or committees may not initiate any corrective action pursuant to this Section X against any City Council members, because such boards, commission, and committees are subordinate to the City Council.

3. Censure Procedure

Procedures. Censure of a Member shall proceed as follows:

- (i) Opportunity to Correct. To initiate the process, a charging Member shall first provide a charged Member notice of the alleged violation. The charged Member shall be provided an opportunity to correct such alleged violation, if it can reasonably be corrected.
- (ii) Statement of Charges. If the charged Member does not correct the alleged violation, then a Statement of Charges shall be prepared and delivered by the charging Member to the charged

Member, with a conformed copy delivered concurrently to the City Clerk and other Members. The charging Member shall also concurrently provide a proof of service of the Statement of Charges to the charged Member, the City Clerk, and other Members. In the case of a City Council member delivering a Statement of Charges to a Member of a City board, commission, or committee, then such Statement of Charges and proof of service shall be delivered to the charged Member, the City Clerk, other City Council members, and other members of the relevant board, commission, or committee. A proper Statement of Charges shall be served as provided above a minimum of 10 days prior to the meeting when the motion for censure shall be made, and shall include:

- A. The specifics of the violation (including the rule, regulation, law, etc. that was violated), and
- B. A statement of the date, place, and time of the occurrence, and
- C. A description of the unsatisfactory behavior.

(iii) Response to Statement of Charges. The charged Member may respond to the Statement of Charges in writing within seven (7) days after delivery of the Statement of Charges by delivering it to the charging Member, with a conformed copy delivered concurrently to the City Clerk and other Members. The charged Member shall also concurrently provide a proof of service of the Response to Statement of Charges to the charging Member, City Clerk and other Members. In the case of a City Council member delivering a Statement of Charges to a Member of a City board, commission, or committee, then such response and proof of service shall be delivered to the charging Member, the City Clerk, other City Council members, and other members of the relevant board, commission, or committee. The charged Member may also choose to defer a written response in favor of a verbal response at the hearing on the motion for censure. Nothing herein shall prevent a charged Member to respond both in writing and at the hearing on the motion for censure.

(iv) Hearing of Motion for Censure. The motion for censure shall be heard at the first regular meeting of the City Council ten (10) days after the Statement of Charges is served upon the charged Member and City Clerk. A continuance is allowed only if any City Council member is absent. The hearing shall adhere to the following the general process:

- A The Chair (or, if absent or is the charged Member, then

the Vice Chair) shall conduct the hearing in open session.

- B The charging Member shall read the Statement of Charges and may present witnesses and evidence.
- C The charged Member may rebut and may present witnesses and evidence.
- D Members of the public may comment on the Statement of Charges and any witnesses and evidence presented.
- E The remaining City Council members may address/comment on the charges.
- F A motion for censure may be made.
- G The City Council deliberates on the motion for censure and votes on the same.

Motion for Censure - Consideration and Passage. Motion for censure passage requires a majority vote of the City Council in open session. If the Statement of Charges includes multiple charges, then the City Council may consider and vote upon each charge individually. If the motion for censure or a particular charge fails to obtain a majority vote, no new motion on the same grounds may be commenced against the same Member for a period of one (1) year.

If the motion for censure passes, then the motion for censure and Statement of Charges shall become a part of the public record and record of proceedings. The motion for censure and Statement of Charges shall be disclosable pursuant to the California Public Records Act.

Request for Defense or Indemnification. When evaluating a request for defense or indemnification made by a censured Member in litigation arising from the censured conduct, the record of the censure shall be considered by the City Council, but shall not be determinative. Failure of the City Council to censure the conduct of a Member does not constitute waiver of the City Council's right to refuse to indemnify or defend the Member in an action.

4. Grounds for Censure

The basis for a motion of censure under this Section 4.11 may include, but are not limited to, the following acts by a Member:

- (i) Serial unexcused absences of three or more from his or her regular Legislative Body meetings.
- (ii) Violating laws and regulations relating to conflicts of interest.

- (iii) Actions taken against established Legislative Body policy or the Grand Terrace 2030 Vision (as may be amended).
- (iv) Harassment.
- (v) Creating a hostile work environment.
- (vi) Any violation of federal, State, or local laws, rules, regulations, or ordinances, including applicable laws relating to conflict of interest and any City laws, rules, regulations, or ordinances.
- (vii) Violation of the Acceptable Code of Conduct or the Oath of Office.

e. Removal from Office

1. City Council

While City Council members may censure one another as provided above, the City Council may not remove a sitting Council Member from office. State law provides the sole mechanisms for removal from office for City Council members. These include:

- (i) A Recall Petition submitted by members of the public pursuant to Cal Const. Art II, §19 and Elections Code Sections 11000-11386.
- (ii) The seat becomes vacant pursuant to Government Code Section 1770.
- (iii) Quo Warranto proceedings pursuant to Code of Civil Procedure Section 803 brought or authorized by the Attorney General to challenge the right to hold a particular office (this can work in tandem with Government Code Section 1770).
- (iv) Removal proceedings pursuant to Government Code Section 3060 for certain kinds of misconduct (initiated by grand jury/district attorney).

2. Appointed Members of City Boards, Commissions, and Committees

Members of City boards, commissions, and committees who are appointed by the City Council serve at the pleasure of the City Council and may be removed at any time, with or without cause, by the City Council. Without limitation, the City Council may use any of the Grounds for Censure (including violations of the Acceptable Code of Conduct) set forth above as a basis for removal with cause.

ADDRESSING THE COUNCIL

- 5.1 **MANNER OF ADDRESSING THE COUNCIL** - Any person desiring to address the Council shall fill out a request to speak form and wait to be recognized by the **Chair**, and after being recognized shall proceed to the podium, or microphone. Such persons are requested to state for the record his or her name and address. Remarks are to be limited to the subject under discussion.
- 5.2 **TIME LIMITATION** - Any public member addressing the Council shall limit his or her address to three (3) minutes. The **Chair** or a Council Member may move to extend the time limitation which shall be extended upon a majority vote of the Council. When any group of persons wishes to address the Council on the same subject matter, it shall be proper for the **Chair** to request that a **spokesperson** be chosen to represent the group, so as to avoid unnecessary repetition. A speaker may not yield time to another speaker.
- 5.3 **ADDRESSING THE COUNCIL AFTER MOTION IS MADE** - After a motion has been made, no person shall address the Council without securing permission by a majority consensus of the Council.
- 5.4 **WRITTEN COMMUNICATION** - Unless specifically requested otherwise, the City Manager is authorized to receive and open all mail addressed to the City Council and take any immediate administrative action required between Council meetings, which does not require specific Council action. Any communication requiring Council action will be reported to the Council at the next possible meeting, together with a report and recommendation of the City Manager.

VI

MOTIONS

- 6.1 **GENERAL PROCEDURE OF ACTING ON AGENDA ITEMS** – The following procedure is suggested for Council's consideration non-Public Hearing Agenda Items:
- a. **Chair states the Item to be considered.**
 - b. **Announcement of any ex parte communications, conflicts of interest, and/or recusals.**
 - c. **Staff Presentation and recommendation on the Item.**
 - d. **Council asks questions/clarifications of Staff.**
 - e. **Open Public Comments for the Item.**

- f. **Close Public Comments for the Item.**
- g. **At Council's direction, City Manager and/or Staff respond to any questions from Public Comment.**
- h. **Chair asks, "Do I have a motion?"**
- i. **If a motion is made, Chair asks "Do I have a second?"**
- j. **If there is a motion and a second, then Council proceeds with deliberation.**
- k. **After deliberation, the Council votes on the item.**

6.2 **PROCESSING OF MOTIONS** - When a motion is made and seconded, it shall be restated by the Presiding Officer before debate. A motion shall not be withdrawn by the mover without the consent of the Council Member seconding it and the approval of Council.

6.3 **DIVISION OF MOTION** - If a motion contains two or more divisible propositions, the **Chair** may, and upon request of a Council Member shall (unless appealed by another Council Member), divide the motion.

6.4 **ORDER OF MOTIONS** - When multiple motions are before the body, the last motion is voted on first.

Non-Debatable Motions:

- a. Adjourn,
- b. Recess
- c. Fix the time to adjourn

Super Majority Votes: (2/3 vote required)

- a. Limit debate
- b. Close nominations
- c. Object to the consideration of an item
- d. Suspend the rules
- e. Reconsider – *(A member of the majority of the previous vote must motion at the same or next meeting.)*

6.5 **PARTICULAR MOTIONS, PURPOSE, AND CRITERIA**

1. **Motion to Adjourn:**

Purpose - To terminate a meeting.

Debatable or Amendable - No, except a motion to adjourn to another time is debatable and amendable as to the time to which the meeting is to be

2. **Motion to Refer to Commission, Committee, or Staff:**

Purpose - To refer the question before the Council to a commission, committee, or to the City Staff for the purpose of investigating or studying the proposal and to make a report back to the Council.

If the motion fails, discussion or vote on the question resumes.

Debatable or Amendable -Yes.

3. **Motion to Amend:**

Purpose - To modify or change a motion that is being considered by the Council so it will express more satisfactorily the will of the members. If there are two amendments, the second amendment is voted upon first if it carries, it automatically cancels the first amendment, and the vote is taken on the amended motion. An amendment motion relating to a different matter shall not be in order.

Debatable or Amendable - Yes.

4. **Postpone Indefinitely:**

Purpose - To prevent further discussion and voting on the main motion. If the motion fails, discussion and voting on the main motion resumes. If it passes, the subject of main motion shall not be brought up again for the remainder of the meeting.

Debatable or Amendable - It is debatable but not amendable.

5. **Main Motion:**

Purpose - The primary proposal or question before the Council for discussion and decision. Debatable or Amendable - Yes.

VII

VOTING

7.1 **VOTING PROCEDURE** - Motions will be adopted by either electronic voting system, voice or roll call vote. The results of the vote shall be entered in full in the minutes.

7.2 **VOTING** - Every ordinance, resolution, and payment of money requires three affirmative votes. Emergency ordinances require four affirmative votes. Unless otherwise required by law, all other actions of the Council require a majority vote of the Council Members present.

7.3 **FAILURE TO VOTE** - Every Council Member should vote unless disqualified for a personal conflict of interest.

Self-disqualification, without cause, which results in a tie vote shall be avoided; but no Council Member shall be forced to vote. A Council Member who abstains shall, in effect, consent that a majority of the quorum may act for him or her. Tie votes shall be lost motions and may be reconsidered.

- 7.4 **RECONSIDERATION** - After motion and vote by the Council, such action may be reconsidered or rescinded only in the following manner:

Reconsideration:

A motion to set aside a vote (to reconsider) on a main motion shall always be in order at the same meeting or at the next regular Council meeting following the action. The motion can be made by any Council Member who voted affirmatively on the matter. If the motion to reconsider passes, the effect thereof is to overrule and cancel the prior action and rehear the original subject.

Lost Motion:

A lost motion is one that fails to receive the necessary number of votes to carry. Tie votes result in a lost motion. A tie vote which has resulted from there being present less than a full Council shall be automatically reconsidered at the next Council meeting at which all members are present. Lost motions may be renewed at any subsequent Council meeting. To revive a lost motion at the same meeting, the proper action is a motion to reconsider (discussed above).



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg

Introduction

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

- 1. Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
- 2. Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
- 3. Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
- 4. Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs, the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:



First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move . . .”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”



The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.



Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

Note: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in



California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.



Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



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AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Auditor's Annual Financial Report and Related Documents for the Fiscal Year Ended June 30, 2024

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: Receive and File the Auditor's Annual Financial Report and related documents for the Fiscal Year ended June 30, 2024.

2030 VISION STATEMENT:

This staff report supports City Council Goal #1, "Ensuring Our Fiscal Viability" through the continuous monitoring of revenue receipts and expenditure disbursements against approved budget appropriations.

BACKGROUND:

Each year, the City has an independent audit conducted of its financial statements and related internal control procedures. The audit for the fiscal year ended June 30, 2024, has been completed and the Annual Financial Report issued by the City's auditor, Lance, Soll & Lunghard, LLP.

DISCUSSION:

One of the key aspects of any annual financial audit is the Independent Auditor's Report, which is provided on page 1 of the **Annual Audit Report (Exhibit A)**. The Independent Auditor's Report provides its opinion on whether or not the financial statements fairly present, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of the end of the fiscal year, and the respective changes in financial position and cash flows, where applicable, in conformance with *Generally Accepted Accounting Principles* (GAAP). The resulting "opinion letter" is either *unmodified* or *modified*. The "opinion letter" received by the City for its financial statements for the period ended June 30, 2024, is *unmodified*, indicating that the financial statements fairly represent the City's financial position in accordance with GAAP.

In addition to the Annual Financial Report, the independent auditor issues other related documents, which are summarized below:

Audit Communication Letter (Exhibit B)

The audit communications letter discusses the auditor's responsibilities under *Government Auditing Standards* and any significant issues encountered during the audit that warrant disclosure. None of the misstatements detected as a result of the audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The auditors indicated there were no significant difficulties dealing with management in performing and completing their audit. There were no disagreements with management in regard to financial

accounting, reporting or auditing that could be material to the financial statements taken as a whole.

· **Internal Control & Compliance Report (Exhibit C)**

The Internal Control & Compliance Report identifies any material internal control deficiencies that impact the financial statements. The results of the tests performed by the City auditors did not identify any deficiencies in internal control that are required to be reported under *Government Auditing Standards*. In addition, the results of the Auditor's tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

There is no fiscal impact associated with the receipt of the Annual Financial Report and related documents for the year ended June 30, 2024.



CITY OF GRAND TERRACE

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

ANNUAL FINANCIAL REPORT



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CITY OF GRAND TERRACE
GRAND TERRACE, CALIFORNIA

Annual Financial Report
With Report on Audit By
Independent Certified Public Accountants

For the Year Ended June 30, 2024

CITY OF GRAND TERRACE
GRAND TERRACE, CALIFORNIA

Annual Financial Report With Report on Audit By Independent Certified Public Accountants
For the Year Ended June 30, 2024

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To Honorable Mayor and Members of the City Council
City of Grand Terrace
Grand Terrace, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grand Terrace (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To Honorable Mayor and Members of the City Council
City of Grand Terrace
Grand Terrace, California

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To Honorable Mayor and Members of the City Council
City of Grand Terrace
Grand Terrace, California

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 28, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Highlights for Year Ended June 30, 2024

Introduction

This Management's Discussion and Analysis provides an overview of the City of Grand Terrace financial activities for the fiscal year ended June 30, 2024. The information presented herein should be considered in conjunction with the City's financial statements identified in the accompanying table of contents.

Overview of Financial Statements

The Financial Section of the Annual Comprehensive financial Report includes the following sections:

1. Independent Auditor's Report to the Honorable Mayor and Members of the City Council
2. This introductory commentary, Management's Discussion and Analysis (MD&A)
3. Basic Financial Statements, including:
 - a. Government-Wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to the Financial Statements
4. Other Supplementary Information
 - a. Non-major governmental funds
 - b. Internal service funds
 - c. Fiduciary funds

The Financial Statements

The **Basic Financial Statements** are comprised of the *Government-wide Financial Statements* and the Fund Financial Statements. These two sets of financial statements provide two different perspectives of the City's financial activities and financial position. The accompanying *Notes to the Basic Financial Statements* are an integral part of these financial statements.

The **Government-wide Financial Statements** provide a long-term view of the City's activities as a whole. The Statement of Net Position provides information about financial position, including capital assets and long-term liabilities on the full accrual basis, similar to that used by commercial enterprises. The Statement of Activities provides information about the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring the net revenues or expenses of City programs. Information is presented both in total and separately for governmental activities, which are generally tax and grant supported and business-type activities which are typically supported by user fees.

The **Fund Financial Statements** report the City's operations in more detail than the government-wide statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds:

- *Governmental funds* account for most of the City's basic services and focus primarily on short-term activities by measuring current revenues and expenditures and excluding capital assets and long-term obligations. The City maintains several individual governmental funds organized according to their type (special revenue and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Authority Fund, American Rescue Plan Act Fund, which are major funds. Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page [82](#).

- *Proprietary funds* are generally used to account for services for which the City charges customers – either outside customers, or internal departments or programs of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:
 - *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water utility and solid waste and recycling. The City's Waste Water Disposal Fund is the only enterprise fund and is presented as a major fund.

Executive Summary - Financial Highlights

- The assets and deferred outflows of resources of the City of Grand Terrace exceeded its liabilities and deferred inflows of resources on June 30, 2024 by \$25.6 million (net position).
- The City's net position increased by \$2.4 million from the previous fiscal year from \$23.2 million to \$25.6 million.
- As of June 30, 2024, the City of Grand Terrace's governmental funds had reported combined ending fund balances of \$16.8 million, an increase of \$2.9 million from the previous fiscal year. Of this total, approximately \$9.3 million, or 55.1% of the total fund balance, are either non-spendable or restricted due to the nature of the restriction.
- The total debt of the City showed a net increase of about \$0.4 million from the prior fiscal year due to the increase in both the City's OPEB liability and net pension liability. During FY 2023-24, the OPEB obligation of the City increased by about \$0.1 million from \$1.2 million to \$1.3 million. The City's Net Pension Liability increased by about \$0.2 million from the prior year from \$5.9 million to \$6.1 million in FY 2023-24.
- The General Fund had a year-end fund balance of \$10.5 million on June 30, 2024. This was a increase of \$3.3 million.

Using the Accompanying Financial Statements

Included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements explain how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Overview of the Financial Statements

The annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements explain how general government services like public safety were financed in the short term as well as what remains for future spending.

- Proprietary funds statements offer short and long-term financial information about the activities the government operates like a business.
- The financial statements also include notes that provide additional explanatory information regarding the financial statements, as well as more detailed data. The statements are followed by a section of required supplementary spreadsheets that provide additional financial and budgetary information.

Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. The statement of net position includes all of the City's assets and liabilities, as well as any deferred outflows and inflows. The statement of activities includes all current year revenues and expenses regardless of when cash is received. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the City's net position and changes in net position that transpired during the fiscal year. The City's net position - the difference between assets and liabilities is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, however, should also be considered such as changes in the City's property tax or sales tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

- Governmental activities - Most of the City's basic services such as public safety, public works, community development, and general government are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- Business-type activity - The Waste Water Disposal Fund accounts for the remaining assets and liabilities of the fund that used to account for the provision of waste water disposal services to the residents and businesses within the City of Grand Terrace. The City of Colton/ Colton Utility Authority now provide wastewater disposal services for the City's residents and businesses.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting oversight responsibilities for using certain taxes, grants, or other money. The City's two types of funds - governmental and proprietary - use different accounting approaches.

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF GRAND TERRACE
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

- Proprietary funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows, for the proprietary fund. The City does not use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Position Summary

Table 1 - Condensed Statements of Net Position

A summarized comparison of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2024 :

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Cash and investments	\$ 16,302,295	\$ 13,345,175	\$ 1,698,580	\$ 1,634,002	\$ 18,000,875	\$ 14,979,177
Receivables and other assets	2,819,907	3,004,011	—	—	2,819,907	3,004,011
Capital assets	8,989,110	8,794,930	4,176,848	4,265,418	13,165,958	13,060,348
Total assets	28,111,312	25,144,116	5,875,428	5,899,420	33,986,740	31,043,536
Deferred outflows of resources	2,588,367	2,693,884	—	—	2,588,367	2,693,884
Liabilities:						
Current and other liabilities	1,704,711	1,453,888	6,875	6,875	1,711,586	1,460,763
Long-term liabilities	7,721,604	7,199,514	—	—	7,721,604	7,199,514
Total liabilities	9,426,315	8,653,402	6,875	6,875	9,433,190	8,660,277
Deferred inflows of resources	1,542,824	1,869,978	—	—	1,542,824	1,869,978
Net position:						
Net investment in capital assets	8,947,330	8,675,572	4,176,848	4,265,418	13,124,178	12,940,990
Restricted	8,050,766	8,014,295	—	—	8,050,766	8,014,295
Unrestricted	2,732,444	624,753	1,691,705	1,627,127	4,424,149	2,251,880
Total net position	\$ 19,730,540	\$ 17,314,620	\$ 5,868,553	\$ 5,892,545	\$ 25,599,093	\$ 23,207,165

CITY OF GRAND TERRACE
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

\$13.1 million (51.3%) of the net position reflects the City's investment in capital assets, less any related debt used to acquire those assets that are still outstanding (net investment in capital assets). Since these assets are used to provide services to the citizens, they are not available for future spending. An additional \$8.1 million (31.4%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position resulted in a positive amount of \$4.4 million (17.3%). The City's net position increased by \$2.4 million from \$23.2 million in FY 2022-23 to \$25.6 million during FY 2023-24.

Activities and Changes in Net Position

Table 2 - Condensed Statement of Activities

A summarized comparison of the City's Revenues, Expenses, Business-Type Activities, and Net Position as of June 30, 2024 :

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,330,900	\$ 1,087,928	\$ —	\$ —	\$ 1,330,900	\$ 1,087,928
Operating grants and contributions	1,366,881	2,141,595	—	—	1,366,881	2,141,595
Capital grants and contributions	706,959	730,607	—	—	706,959	730,607
General revenues:						
Property taxes	4,918,295	4,488,805	—	—	4,918,295	4,488,805
Transient occupancy taxes	—	—	—	—	—	—
Sales taxes	3,679,516	1,441,471	—	—	3,679,516	1,441,471
Franchise taxes	651,747	633,302	—	—	651,747	633,302
Business license taxes	100,772	101,971	—	—	100,772	101,971
Other	947,142	1,868,456	64,578	32,050	1,011,720	1,900,506
Total revenues	13,702,212	12,494,135	64,578	32,050	13,766,790	12,526,185
Expenses:						
General government	2,164,876	1,514,961	—	—	2,164,876	1,514,961
Public safety	2,964,772	2,809,402	—	—	2,964,772	2,809,402
Economic development	597,704	5,876	—	—	597,704	5,876
Cultural and recreation	1,461,227	806,394	—	—	1,461,227	806,394
Public works	4,097,713	4,878,395	—	—	4,097,713	4,878,395
Waste Water Disposal	—	—	88,570	88,570	88,570	88,570
Total expenses	11,286,292	10,015,028	88,570	88,570	11,374,862	10,103,598
Changes in net position	2,415,920	2,479,107	(23,992)	(56,520)	2,391,928	2,422,587
Net position - beginning	17,314,620	14,835,513	5,892,545	5,949,065	23,207,165	20,784,578
Net position - ending	\$ 19,730,540	\$ 17,314,620	\$ 5,868,553	\$ 5,892,545	\$ 25,599,093	\$ 23,207,165

The increase or decrease in net position can provide an indication as to whether the overall financial position of the City improved or worsened during the year. The total net position of the City on June 30, 2024 increased by \$2.4 million or 10.3% compared to the net position of the City at the end of FY 2022-2023. Taken separately, the net position of governmental activities increased by \$2.4 million, while the net position of business-type activities decreased by \$23,992. Total expenses of \$11.4 million were offset by total revenues of \$13.8 million. In the Statement of Activities, expenses do not include the cost of assets capitalized during the year or payments made on principal of outstanding debt. Depreciation is shown for governmental funds on this table, but the expense is not recorded in each individual fund.

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After the deduction of capitalized assets, the next largest component in changes to net position is the actual increase or decrease in fund balances resulting from operations. For governmental funds there was a net increase of \$2.9 million. Of this amount, a net decrease of \$0.4 million is attributable to the nonmajor funds, a net increase of \$6,608 to the Housing Authority, a net decrease of \$38,445 to the American Recovery Plan Act Fund with the difference being a net increase to the General Fund of \$3.3 million.

Governmental Activities

The following table shows the cost of each of the City's major programs and their net cost after subtracting fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City taxpayers by each of the programs.

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 2,164,876	\$ 1,112,101	\$ 1,514,961	\$ (488,129)
Public safety	2,964,772	2,765,517	2,809,402	2,557,601
Economic development	597,704	597,704	5,876	5,876
Cultural and recreation	1,461,227	1,364,394	806,394	721,637
Public works	4,097,713	2,041,836	4,878,395	3,257,943
Total	<u>\$ 11,286,292</u>	<u>\$ 7,881,552</u>	<u>\$ 10,015,028</u>	<u>\$ 6,054,928</u>

This table shows the cost of all governmental activities this year was \$11.3 million. General tax dollars paid for approximately (69.8)% percent of this cost. Fees, grants and contributions and fund balances at the beginning of the fiscal year funded the balance of the cost of governmental activities.

Figure 1 - Expenditures & Program Revenues - Governmental Activities

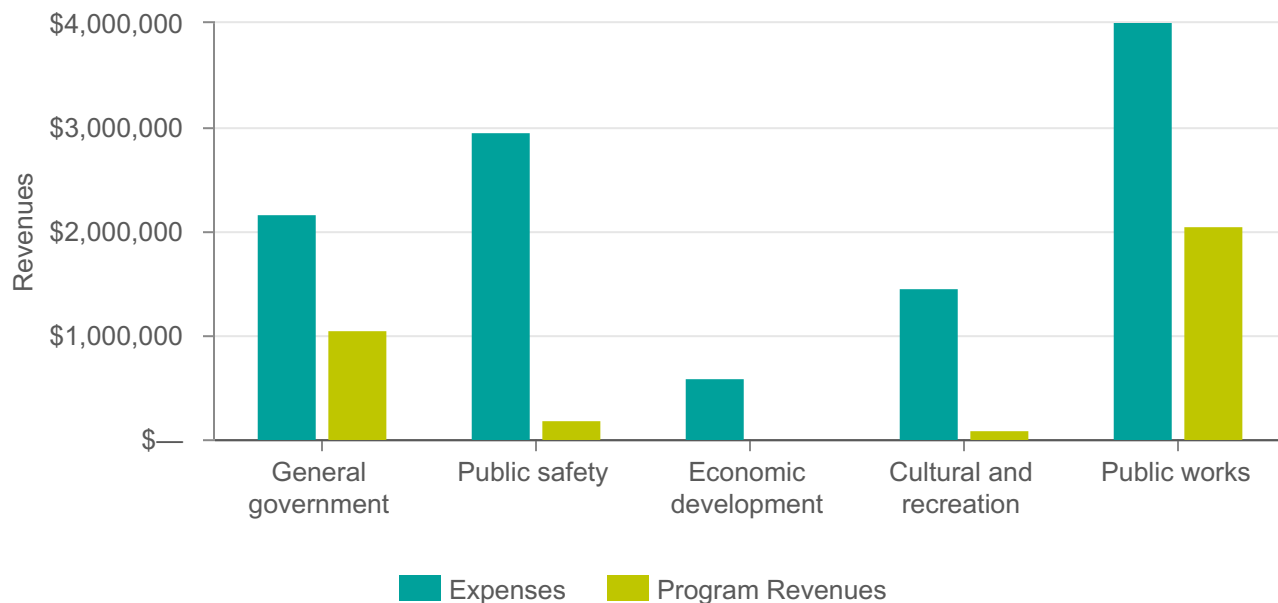
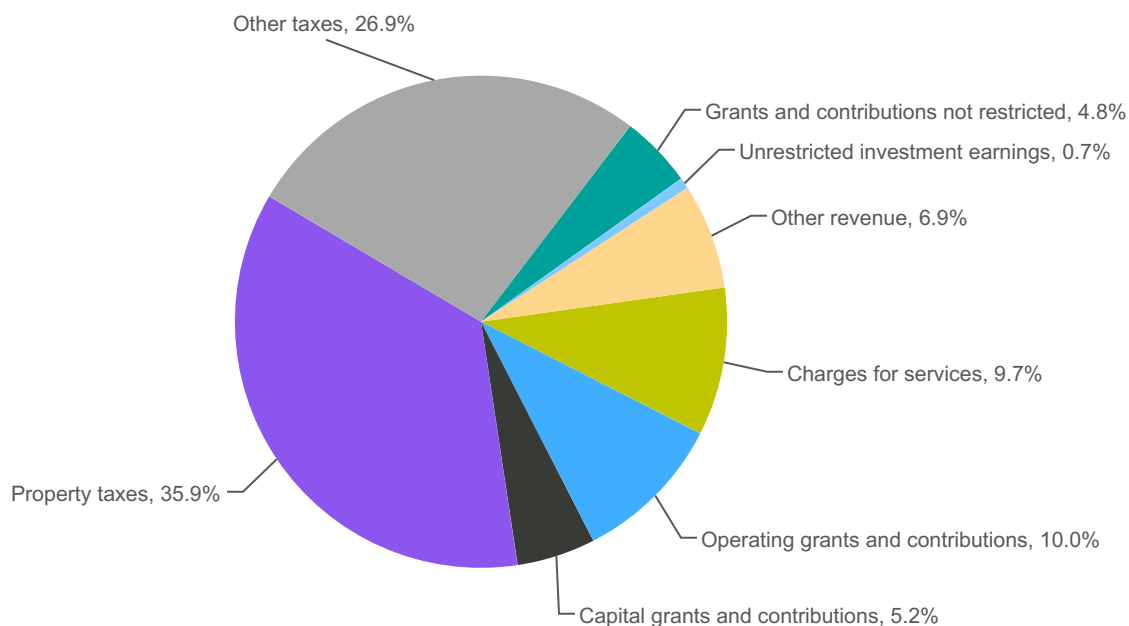


Figure 2 - Revenue by Source - Governmental Activities



Business-Type Activities

In March 2014, the cities of Grand Terrace and Colton entered into sewer services and lease agreements for fifty (50) years. These agreements extricated Grand Terrace from the wastewater collection business. In accordance with the Sewer Services Agreement with the City of Colton/ Colton Utility Authority, the provision of sewer services for the City’s residents and businesses are no longer being directly provided by the City of Grand Terrace. Hence, the City of Grand Terrace no longer receives sewer services revenues from the City’s residents and businesses. Likewise, sewer- services related expenditures are also no longer being incurred and recorded in the City’s Waste Water Disposal Fund. The following were the only financial- related activities recorded in the City’s Waste Water Disposal Fund during FY 2023-24:

Annual depreciation amounting to \$88,570 of all wastewater sewer capital assets which are still owned by the City.

Figure 3 - Expenditures & Program Revenues - Business-Type Activities

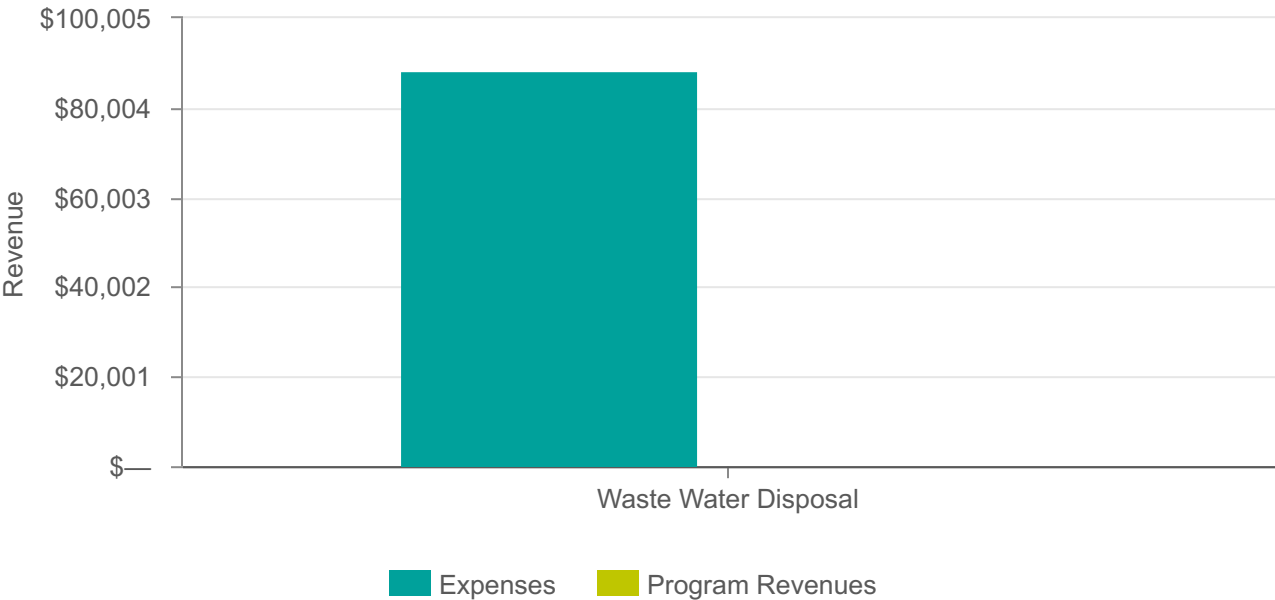
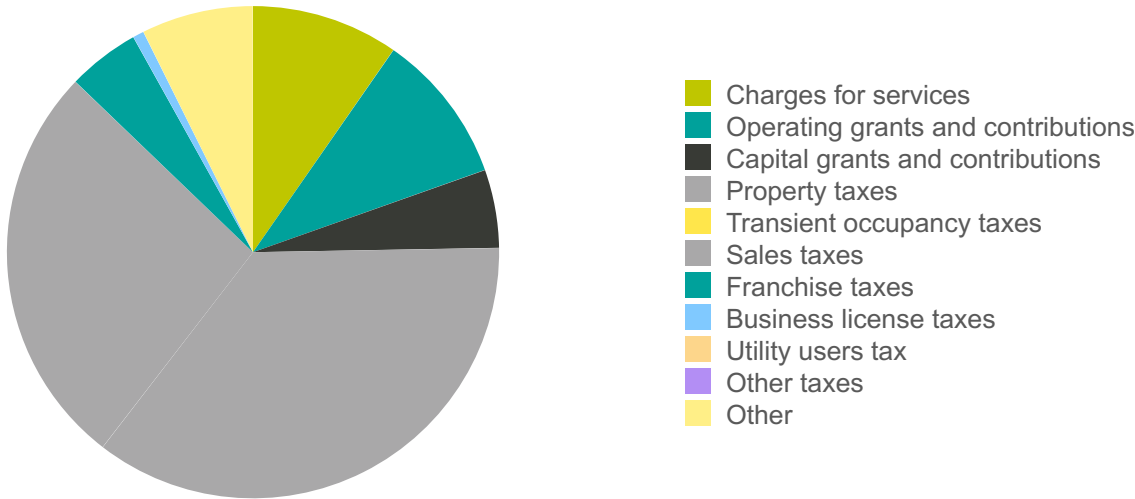


Figure 4 - Revenue by Source - Business-Type Activities



Financial Analysis of Funds

In addition to the statements described above, the City also maintains financial records at the funds level for budgetary control. Individual funds are generally established to track the resources and operating results for the general fund and specific restricted programs.

Governmental Funds

General Fund

The General Fund is the main operating fund of the City. At the end of FY 2023-24, the fund balance of the General Fund increased by \$3.3 million from a fund balance of \$7.2 million on June 30, 2023 to \$10.5 million at June 30, 2024. Total fund balance in all Governmental Funds was \$16.8 million.

The General Fund Revenues and Expenditures are shown below:

	2023-2024	2022-2023	Increase (Decrease) in Fund Balance
Revenues	\$ 11,175,713	\$ 9,314,126	\$ 1,861,587
Expenditures	(7,884,107)	(7,353,143)	(530,964)
Other Sources (Uses)	(3,570)	2,873	(6,443)
Net Change in Fund Balance	3,288,036	1,963,856	1,324,180
Beginning Fund Balance	7,219,257	5,255,401	1,963,856
Ending Fund Balance	\$ 10,507,293	\$ 7,219,257	\$ 3,288,036

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The significant highlights in activities - revenues and expenditures of the City's General Fund from the prior year are as follows:

- General Fund expenditures and transfers out were exceeded by revenues by \$3.3 million. Total General Fund revenues increased by \$1.9 million or 20.0% from FY 2022-23.
- Property taxes increased by 9.6% from \$4.5 million to \$4.9 million, a difference of about \$0.4 million.
- Gross Sales tax increased by \$2.2 million from \$1.4 million to \$3.7 million compared to the previous fiscal year.
- Charges for service, including licenses and permits in FY 2023-24 increased by 14.5 percent from \$1,570,988 to \$1,799,008. The revenues belonging to this category which include Franchise Fees, Business License Tax, Dog License, Engineering Fees, Public Works Permits, Construction Permits, Building Safety Plan Review, Environmental Assessment Reports & Sports League Fees Surcharge were consistent with the previous year.
- Fines and forfeitures received during FY 2023-24 decreased by \$5,768 or 12.7 percent from \$45,441 during FY 2022-23 to \$51,209, during FY 2023-24. The increase in this category resulted from increases and decreases from the collections of the various categories.
- The overall operating expenditures of the General Fund increased by about 7.2% over the prior year from \$7.4 million to \$7.9 million. The increase of \$530,964 between FY 2022-23 and FY 2023-24 was due to a combination of increased expenditures in some functional categories of government and decreased expenditures in other functional categories of government.
- There was decreased spending in the following function during FY 2023-24 compared to FY 2022-23 General Government category by \$124,739. However, there was increased spending during FY 2023-24 in the following functions of government over the prior fiscal year— Capital Outlay increased by \$165,246, Public Works by \$247,848, Debt Service by \$20,617, Cultural & Recreation by \$61,296 and Public Safety increased by \$160,696.
- Of the total \$7.9 million in General Fund operating expenditures, total general government expenditures represented 24.2%, public works expenditures represented 22.3%, public safety expenditures represented 35.0%, cultural & recreation represented 10.3%, capital outlay represented 7.0% and debt service represented 1.0%.

Other major governmental funds include the Housing Authority Fund and the American Recovery Plan Act Fund.

The fund balance of the Housing Authority Fund increased by \$6,608 during FY 2023-24. This fund accounts for the housing assets because of the dissolution of community redevelopment agency of the City.

The fund balance of the American Recovery Plan Act Fund decreased by \$38,445 due expenditures exceeding revenues during FY2023-24.

Nonmajor Funds

The Nonmajor funds, as listed in the table of contents of this report, include Gas Tax, Measure I, the Capital Improvement Funds, and most of the special revenue funds.

CITY OF GRAND TERRACE
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Capital Assets

As of June 30, 2024, the City had invested \$13.2 million in a broad range of capital assets, including buildings, parks and park improvements, computer and maintenance equipment, vehicles, sewer collection systems, streets, sidewalks and storm drains. The City is exempt by provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 from including the valuation of old City infrastructure prior to the implementation of GASB Statement No. 34.

Table 3 - Summary of Activities - Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets not subject to depreciation/amortization:						
Land	\$ 2,199,955	\$ 2,194,955	\$ —	\$ —	\$ 2,199,955	\$ 2,194,955
Construction in progress	1,012,310	1,008,270	—	—	1,012,310	1,008,270
Depreciable capital assets:						
Buildings	1,541,764	1,569,078	2,238,668	2,283,369	3,780,432	3,852,447
Machinery, equipment, and vehicles	461,444	361,283	1,139,751	1,160,761	1,601,195	1,522,044
Vehicles	401,251	104,087	752,071	766,502	1,153,322	870,589
Improvements other than buildings	1,874,908	1,899,310	46,358	54,786	1,921,266	1,954,096
Infrastructure	1,426,760	1,507,476	—	—	1,426,760	1,507,476
Subscription asset	70,718	150,471	—	—	70,718	150,471
Total capital assets, net	\$ 8,989,110	\$ 8,794,930	\$ 4,176,848	\$ 4,265,418	\$ 13,165,958	\$ 13,060,348

Long-Term Debt

As of June 30, 2024, the City had long-term liabilities outstanding of \$7.7 million. The City's net pension liability increased by \$0.2 million from \$5.9 million in the prior fiscal year to \$6.1 million at the end of June 30, 2024. The City's other post-employment benefits (OPEB) obligations increased by \$0.2 million from \$1.2 million at the end of FY 2022-23 to \$1.4 million at the end of FY 2023-24. The City's liability for long-term compensated absences increased by \$46,725 compared to the prior fiscal year from \$0.1 million to \$0.2 million at the end of June 30, 2024. The City's liability for subscriptions payable decreased by \$77,578 from \$0.1 million to \$41,780 at the end of June 30, 2024.

Additional information on the City's long-term debt can be found in the notes to the accompanying financial statements.

Table 4 - Long-Term Debt

	2024	2023	Increase (Decrease)
Net OPEB Obligation	\$ 1,401,835	\$ 1,169,969	\$ 231,866
Net Pension Liability	6,098,734	5,888,367	210,367
Subscriptions Payable	41,780	119,358	(77,578)
Compensated Absences	179,255	132,530	46,725
Total Outstanding Debt	\$ 7,721,604	\$ 7,310,224	\$ 411,380

Economic Outlook

The City of Grand Terrace fiscal position in 2023-24 is sustainable and the city maintains funds in a reserve account that is the equivalent of two months of expenses), allowing the city to post its sixth consecutive year of economic growth based on; fiscal responsibility; development of needed infrastructure; adequate public safety and a diligent strategy for economic independence.

The \$105,000,000 interchange project, which started construction in 2017 and was completed in 2020. The project leads to the heart of the city, creating a magnificent entrance to the City and its current and future commercial corridor. The completed interchange was designed to increase circulation by 30%, allowing over 40,000 cars per day to easily access Barton Rd. The increased circulation capacity enhances the City's appeal to retailers as a vibrant commercial corridor between the two main metropolises of Riverside and San Bernardino.

The completion of the Barton Rd Interchange is integral to the City of Grand Terrace's Economic strategy. The economic prosperity of the City is linked directly to infrastructure. The interchange project leads to the heart of our economy with over 50% of all sales taxes generated in the City, coming from business on or adjacent to Barton Rd adjacent to the interchange. It is estimated that build out of businesses on Barton Rd within the next five years will lead to doubling of sales tax that is currently generated. Yet, during this same period, the completion of the interchange project will solidify the submittal of the 132-acre Gateway Specific Plan project, which is a mixed-use master plan project adjacent to the freeway with the ability to deliver a minimum of over \$800,000 in property taxes to the City.

While the City's core revenue sources are steady, the City will receive an additional boost in property tax because of private transactions, leading to increase tax rolls. In addition, the Successor Agency of the Community Redevelopment Agency was dissolved in March of 2022 which will lead to an increase in property tax revenues as well.

The City continues to see additional revenues materialize for Restricted/Special Purpose Funds allocated to it, after approval of the City's Last and Final ROPS. The City will use these funds to continue to advance its long-term economic strategy with funds earmarked infrastructure, economic development, and elimination of blight. A significant amount of the funds will be used for infrastructure and economic development. SB-1 (Road Repair & Rehab Program) will allow the City to accelerate the repair of the City's aging road infrastructure. The City has a successful track record of leveraging small amounts of general fund proceeds to go after grant programs to help build infrastructure. With the completion of the Interchange project, and the \$300,000 Mount Vernon Avenue safety improvement program will enhance intersections for 5 major intersections in the City, four of which lead to most of our residential developments. We believe the improvements to these intersections will contribute to the growth and increase of property values.

Finally, to balance out the City's goal of economic growth for our entire community, staff is anticipating a major role for the City's Housing Successor Agency in the coming years, as the City moves to promote economic development and housing for all. The Housing Successor Agency has over \$1,400,000 in cash, in addition to assets, which will allow it to carry out the agency's policies.

Contacting Financial Management

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance department, at the City of Grand Terrace, 22795 Barton Road, Grand Terrace, California 92313, or call (909) 954-5200.

BASIC FINANCIALS

Government-Wide Financial Statements

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CITY OF GRAND TERRACE
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 16,302,295	\$ 1,698,580	\$ 18,000,875
Receivables (net of uncollectibles):			
Accounts	126,009	—	126,009
Accrued interest	36,047	—	36,047
Due from other governments	925,969	—	925,969
Notes and loans	1,540,653	—	1,540,653
Prepaid costs	191,229	—	191,229
Capital assets (not being depreciated)	3,212,265	—	3,212,265
Capital assets (net of accumulated depreciation/amortization)	5,776,845	4,176,848	9,953,693
Total assets	28,111,312	5,875,428	33,986,740
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	2,254,888	—	2,254,888
OPEB-related	333,479	—	333,479
Total deferred outflows of resources	2,588,367	—	2,588,367
LIABILITIES			
Accounts payable	626,341	—	626,341
Accrued liabilities	45,865	—	45,865
Accrued interest payable	820	—	820
Deposits payable	1,031,685	6,875	1,038,560
Noncurrent liabilities:			
Due within one year:			
Compensated absences	44,814	—	44,814
Subscription	41,780	—	41,780
Total OPEB Liability	85,000	—	85,000
Due in more than one year:			
Compensated absences	134,441	—	134,441
Net Pension Liability	6,098,734	—	6,098,734
Total OPEB Liability	1,316,835	—	1,316,835
Total liabilities	9,426,315	6,875	9,433,190
DEFERRED INFLOWS OF RESOURCES			
Pension-related	884,445	—	884,445
OPEB-related	658,379	—	658,379
Total deferred inflows of resources	1,542,824	—	1,542,824
NET POSITION			
Net investment in capital assets	8,947,330	4,176,848	13,124,178
Restricted for:			
Community development projects	3,461,855	—	3,461,855
Public safety	66,493	—	66,493
Public works	3,464,681	—	3,464,681
Infrastructure projects	1,057,737	—	1,057,737
Unrestricted (deficit)	2,732,444	1,691,705	4,424,149
Total net position	\$ 19,730,540	\$ 5,868,553	\$ 25,599,093

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CITY OF GRAND TERRACE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs:	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,164,876	\$ 224,989	\$ 827,786	\$ —	\$ (1,112,101)	\$ —	\$ (1,112,101)
Public safety	2,964,772	11,641	187,614	—	(2,765,517)	—	(2,765,517)
Economic development	597,704	—	—	—	(597,704)	—	(597,704)
Cultural and recreation	1,461,227	96,833	—	—	(1,364,394)	—	(1,364,394)
Public works	4,097,713	997,437	351,481	706,959	(2,041,836)	—	(2,041,836)
Total governmental activities	11,286,292	1,330,900	1,366,881	706,959	(7,881,552)	—	(7,881,552)
Business-type activities:							
Waste Water Disposal	88,570	—	—	—	—	(88,570)	(88,570)
Total business-type activities	88,570	—	—	—	—	(88,570)	(88,570)
Total primary government	\$ 11,374,862	\$ 1,330,900	\$ 1,366,881	\$ 706,959	(7,881,552)	(88,570)	(7,970,122)
General revenues:							
General revenues:							
Property taxes					4,918,295	—	4,918,295
Sales taxes					3,679,516	—	3,679,516
Franchise taxes					651,747	—	651,747
Business license taxes					100,772	—	100,772
Motor vehicle in lieu					16,233	—	16,233
Use of money and property					873,281	64,578	937,859
Miscellaneous income					57,628	—	57,628
Total general revenues					10,297,472	64,578	10,362,050
Change in net position					2,415,920	(23,992)	2,391,928
Net position-beginning					17,314,620	5,892,545	23,207,165
Net position-ending					\$ 19,730,540	\$ 5,868,553	\$ 25,599,093

Fund Financial Statements

Government Fund Financial Statements

CITY OF GRAND TERRACE
Balance Sheet
June 30, 2024

	Special Revenue Funds				
	General Fund	Housing Authority	ARPA	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 9,827,257	\$ 1,439,136	\$ 202,894	\$ 4,833,008	\$ 16,302,295
Receivables (net of allowance for uncollectible):				—	
Accounts	125,570	—	—	439	126,009
Interest	36,047	—	—	—	36,047
Due from other governments	297,697	—	—	628,272	925,969
Notes and loans	1,027,523	513,130	—	—	1,540,653
Due from other funds	602,944	—	—	36,000	638,944
Prepaid costs	191,229	—	—	—	191,229
Advances from other funds	—	168,205	—	—	168,205
Total assets	\$ 12,108,267	\$ 2,120,471	\$ 202,894	\$ 5,497,719	\$ 19,929,351
LIABILITIES					
Accounts payable	\$ 379,376	\$ 6	\$ 133,177	\$ 113,782	\$ 626,341
Accrued liabilities	45,865	—	—	—	45,865
Accrued interest	820	—	—	—	820
Due to other funds	—	—	—	638,944	638,944
Deposits payable	1,006,708	—	—	24,977	1,031,685
Advances from other funds	168,205	—	—	—	168,205
Total liabilities	1,600,974	6	133,177	777,703	2,511,860
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	—	61,130	—	523,975	585,105
Total deferred inflows of resources	—	61,130	—	523,975	585,105
FUND BALANCES (DEFICITS)					
Nonspendable	1,218,752	—	—	—	1,218,752
Restricted	1,057,737	2,059,335	69,717	4,863,977	8,050,766
Committed	2,369,829	—	—	—	2,369,829
Assigned	144,000	—	—	—	144,000
Unassigned	5,716,975	—	—	(667,936)	5,049,039
Total fund balances (deficits)	10,507,293	2,059,335	69,717	4,196,041	16,832,386
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 12,108,267	\$ 2,120,471	\$ 202,894	\$ 5,497,719	\$ 19,929,351

CITY OF GRAND TERRACE**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position****June 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$	16,832,386
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		8,989,110
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related		2,254,888
Deferred outflows-OPEB related		333,479
Deferred inflows-pension related		(884,445)
Deferred inflows-OPEB related		<u>(658,379)</u>
Total deferred outflows and inflows related to postemployment benefits		1,045,543
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
SBITA payable		(41,780)
Compensated absences		(179,255)
Net pension liability		(6,098,734)
Total OPEB liability		<u>(1,401,835)</u>
Total long-term liabilities		(7,721,604)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		<u>585,105</u>
Net position of governmental activities	\$	<u>19,730,540</u>

CITY OF GRAND TERRACE
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue Funds				
	General Fund	Housing Authority	ARPA	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 8,531,762	\$ —	\$ —	\$ 66,049	\$ 8,597,811
Intergovernmental	133,164	—	747,544	1,337,757	2,218,465
Charges for services	1,738,765	—	—	39,467	1,778,232
Use of money and property	654,151	44,932	—	174,198	873,281
Fines and forfeitures	60,243	—	—	12,174	72,417
Miscellaneous	57,628	—	—	3,717	61,345
Total revenues	11,175,713	44,932	747,544	1,633,362	13,601,551
EXPENDITURES					
Current:					
General government	1,910,569	—	—	193,420	2,103,989
Public safety	2,763,259	—	—	1,426,976	4,190,235
Public works	1,760,630	—	785,989	84,792	2,631,411
Economic development	—	38,324	—	—	38,324
Cultural and recreation	815,058	—	—	52,206	867,264
Capital outlay	553,207	—	—	460,660	1,013,867
Debt service:					
Principal retirement	77,578	—	—	—	77,578
Interest expense and fiscal charges	3,806	—	—	—	3,806
Total expenditures	7,884,107	38,324	785,989	2,218,054	10,926,474
Excess (deficiency) of revenues over (under) expenditures	3,291,606	6,608	(38,445)	(584,692)	2,675,077
OTHER FINANCING SOURCES (USES)					
Transfers in	50,000	—	—	1,110,383	1,160,383
Transfers out	(248,695)	—	—	(911,688)	(1,160,383)
Subscriptions issued	195,125	—	—	—	195,125
Total other financing sources (uses)	(3,570)	—	—	198,695	195,125
Net change in fund balances	3,288,036	6,608	(38,445)	(385,997)	2,870,202
Fund balances-beginning	7,219,257	2,052,727	108,162	4,582,038	13,962,184
Fund balances-ending	\$ 10,507,293	\$ 2,059,335	\$ 69,717	\$ 4,196,041	\$ 16,832,386

CITY OF GRAND TERRACE**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds:		\$ 2,870,202
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	1,008,573	
Depreciation/amortization expense	<u>(814,393)</u>	
Total adjustment		194,180
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable grant revenues	1,309	
Earned but unavailable other revenues	<u>(460,028)</u>	
Total adjustment		(458,719)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Principal payments	<u>77,578</u>	
Total adjustment		77,578
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(46,725)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(245,329)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>24,733</u>	
Total adjustment		<u>(267,321)</u>
Change in net position of governmental activities		<u>\$ 2,415,920</u>

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Proprietary Fund Financial Statements

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CITY OF GRAND TERRACE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities
	Waste Water Disposal
OPERATING EXPENSES	
Depreciation expense	\$ 88,570
Total operating expenses	88,570
Operating income (loss)	(88,570)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	64,578
Total nonoperating revenues (expenses)	64,578
Change in net position	(23,992)
Net position-beginning	5,892,545
Net position-ending	\$ 5,868,553

CITY OF GRAND TERRACE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Business-Type Activities</u>
	<u>Waste Water Disposal</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	\$ 64,578
Net cash provided by (used for) investing activities	<u>64,578</u>
Net increase (decrease) in cash and cash equivalents	64,578
Cash and cash equivalents-beginning	<u>1,634,002</u>
Cash and cash equivalents-ending	<u><u>\$ 1,698,580</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (88,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation/amortization expense	<u>88,570</u>
Total adjustments	<u>88,570</u>
Net cash provided by (used for) operating activities	<u><u>\$ —</u></u>

Notes to The Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

The City of Grand Terrace (City) was incorporated in November 1978 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (law enforcement), highways and streets, cultural and recreational activities, public improvements, planning and zoning, building and safety, low and moderate income housing programs, and general administrative services.

As required by generally accepted accounting principles, the financial statements of the City of Grand Terrace include the financial activities of the City (the primary government), and the City of Grand Terrace Public Financing Authority (the Authority). This blended component unit is discussed below and is included in the reporting entity because of the significance of its operation and financial relationship with the City.

The Authority is legally separate from the City. However, the City of Grand Terrace's elected officials have a continuing full or partial accountability for fiscal matters of the Authority. The financial reporting entity consists of: 1) the City, 2) organizations for which the City is financially accountable, and 3) organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt a budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. The following component units of the City have been included in the financial reporting entity as blended component units.

City of Grand Terrace Public Financing Authority

The Grand Terrace Public Financing Authority (the Authority) was established on July 16, 1991, pursuant to a Joint Powers Agreement between the City of Grand Terrace and the former Community Redevelopment Agency of the City of Grand Terrace. The Authority was created to facilitate financing of public capital improvements benefiting the City and the former RDA. The City Council also acts as the governing body of the Authority. The Authority's activities are blended with those of the City. Separate financial statements are not prepared for the Grand Terrace Public Financing Authority.

There are several other governmental agencies, including the County of San Bernardino, school districts, and others, providing services within the City of Grand Terrace. Those agencies have independently elected governing boards other than the City Council of the City of Grand Terrace and no financial accountability to the City of Grand Terrace. Consequently, financial information for these agencies is not included within this financial report.

B. Government-Wide and Fund Financial Statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Housing Authority Fund accounts for the housing assets transferred from the former redevelopment agency and Low and Moderate housing activities of the City. The fund activities are restricted for the same purposes as the former Low and Moderate Income Housing Fund of the Agency.
- The ARPA Fund accounts for activity of federal funding under American Rescue Plan Act which is used to address ongoing COVID-19 public health crisis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following major proprietary fund:

- The Waste Water Disposal Fund is used to account for the remaining assets and liabilities of the fund that used to account for the provision of waste water disposal services to the residences and businesses of the City. Currently, a Sewer Services Agreement is in place between the City of Colton/Colton Utility Authority and the City of Grand Terrace for the provision of waste-water disposal services by the City of Colton to residents and businesses of the City of Grand Terrace.

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.
- Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).
- Permanent Fund accounts for resources that are legally restricted, to the extent that only earnings, and not principal, may be used for purposes that support the City's program.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

D. Other Accounting Policies

1. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

2. *Cash and Cash Equivalents*

For the purpose of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds. Since cash and investments are pooled, the City utilizes the assumption that the cash and investments in the Enterprise Fund are cash and cash equivalents.

3. *Investments*

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Property Held for Resale

Property held for resale is recorded at the lower of cost or net realizable value.

5. Compensated Absences

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

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times his regular annual entitlement.

Sick leave is payable when an employee is unable to work because of illness. Upon termination, regular employees with 5 years continuous service will be paid 40% for any unused sick leave.

6. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and lease and subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than or equal to \$5,000 (amount not rounded) and an estimated useful life of at least two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated Capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the City.

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

Capital asset of the primary government, as well as the component units, are depreciated/amortized using the straight-line method over the following estimated useful lives.

Asset Type	Years
Buildings	50
Machinery & Equipment	5-15
Vehicles	6-15
Improvements other than buildings	15-20
Infrastructure	20-30
Sewer Lines	90
Right-of-use subscription assets	Shorter of the assets useful life or the subscription term

7. Long-term Obligations

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Net Pension Liability

Valuation Date June 30, 2022
Measurement Date June 30, 2023
Measurement Period July 1, 2022 to June 30, 2023

9. Other Post-Employment Benefits (OPEB) Liability

Valuation Date June 30, 2023
Measurement Date June 30, 2024
Measurement Period July 1, 2023 to June 30, 2024

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualifies for reporting in this category. Deferred outflows relating to the net pension obligation and deferred outflows related to OPEB liability reported in the government-wide statement of net position.

In addition to liabilities, the Statement of Net Position and the Governmental Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items, one of which, arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred pension related items and deferred OPEB related items.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense, respectively.

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

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. At June 30, 2023, EARLS were:	5.7 years	OPEB plan
	3.7 years	Pension miscellaneous - Cost Sharing Plan

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Subscription-Based Information Technology Arrangements

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

12. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balance Policies

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

- Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes determined by a formal action of the City Council, the government's highest level of decision-making authority.
- Assigned – amounts the City intends to use for a specific purpose; intent can be expressed by City Council or by an official or body to which the City Council delegates the authority. By resolution, the Council has authorized the City Manager and/or Finance Director to assign fund balance.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in the general fund.

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.

15. Property Tax

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied provided they become available. Available means when due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied.

Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

16. Use of Estimates

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

As of June 30, 2024, the following funds have deficit fund balances:

Fund Name	Fund Type	Deficit
CDBG	Non-major Special Revenue Fund	\$ 109,448
Senior Bus Program	Non-major Special Revenue Fund	164,021
Highway Safety Improvement Program	Non-major Special Revenue Fund	68,018
Emergency Management Preparation Grant	Non-major Special Revenue Fund	7,291
Enhanced Infrastructure Financing District	Non-major Special Revenue Fund	46,560
Capital Improvements - Streets	Non-major Capital project Fund	27,398
Barton/Colton Bridge	Non-major Capital project Fund	25,320
Capital Projects Bond Proceeds	Non-major Capital project Fund	207,000
Capital Projects - Parks	Non-major Capital project Fund	12,880

These deficits will be funded by future revenues or transfers from other funds.

NOTE 3: CASH AND INVESTMENTS

Cash and investments held by the City were comprised of the following at June 30, 2024:

Statement of Net Position

Cash and investments	\$ 18,000,875
Total cash and investments	<u>\$ 18,000,875</u>

Cash and investments as of June 30, 2024 consisted of the following:

Cash on hand	\$ 1,750
Deposits with financial institutions	8,074,934
Investments	<u>9,924,191</u>
Total cash and investments	<u>\$ 18,000,875</u>

Investments Authorized by the California Government Code and the City's Investment Policy

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

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maturity Type	Portfolio	One Issuer
U.S. Treasury obligations	5 Years	None	None
Repurchase Agreements	6 Years	None	None
Certificates of Deposit	7 Years	None	None
Passbook Savings Accounts	8 Years	30%	None
Securities Issued by Federal Agencies	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50,000,000
Mutual Funds	N/A	20%	None
Pools and Other Investment Structures	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

Authorized Investment Type	Amount	Remaining Investment Maturity	
		12 Months or Less	1 to 3 years
Certificates of Deposit	\$ 2,090,474	\$ 985,386	\$ 1,105,088
Local Agency Investment Fund (LAIF)	3,183,077	3,183,077	—
Local Gov. Invest. Pool (CAMP)	4,582,622	4,582,622	—
First American Treasury	1,280	1,280	—
Held by Trustee:			
Money Market Mutual Funds	66,738	66,738	—
Total	<u>\$ 9,924,191</u>	<u>\$ 8,819,103</u>	<u>\$ 1,105,088</u>

Disclosures Relating to Credit Risk

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

Authorized Investment Type	Amount	Minimum Legal Rating	Actual Rating
Money Market Mutual Fund	\$ 66,738	N/A	N/A
Certificates of Deposit	2,090,474	N/A	N/A
Local Agency Investment Fund (LAIF)	3,183,077	N/A	N/A
Local Gov. Invest. Pool (CAMP)	4,582,622	N/A	N/A
First American Treasury	1,280	N/A	N/A
Total	<u>\$ 9,924,191</u>		

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. During the fiscal year ended June 30, 2024, the City did not hold any investments in any one issuer (other than Mutual Funds and External Investment Pools) that represent 5% or more of total City's investments.

Custodial Credit Risk

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

As of June 30, 2024, the City had deposits with financial institutions in excess of federal depository insurance limits of \$7,203,299.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF has reported to its participating agencies that, as of June 30, 2024, the carrying amount (at amortized cost) of the Pool was \$178,914,245,370 and the estimated fair value of the Pool was \$178,255,132,764. The City's proportionate share of the Pool's market value (as determined by LAIF) as of June 30, 2024, was \$3,183,077. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities.

Local Government Investment Pool

The City is a voluntary participant in the Local Government Investment Pool, "CAMP" (California Asset Management Program). CAMP is a California Joint Powers Authority, established to provide public agencies with professional investment services, and is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

The City reports its share in the investment pool at the estimated fair market value. As of June 30, 2024, the City's share of the Pool (as determined by CAMP) is \$4,582,622. Included in the CAMP's investment portfolio are U.S. treasury notes, bonds, bills or certificates of indebtedness or other obligations of the United States, federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, repurchase agreements, bills of exchange or time drafts, negotiable certificates of deposits, commercial paper of prime quality of the highest ranking or of the highest letter and number rating.

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Pooled Cash

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the cash balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Fair Value Measurement and Application

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

The City has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Total	Level			
		1	2	3	Uncategorized
Investments:					
Local Government Investment Pool	\$ 4,582,622	\$ —	\$ —	\$ —	\$ 4,582,622
First American Treasury	1,280	—	1,280	—	—
Certificates of Deposit	2,090,474	—	2,090,474	—	—
Local Agency Investment Fund	3,183,077	—	—	—	3,183,077
	9,857,453	—	2,091,754	—	7,765,699
Investments with Fiscal Agents:					
Money Market Funds	66,738	—	—	—	66,738
Total Investments	\$ 9,924,191	\$ —	\$ 2,091,754	\$ —	\$ 7,832,437

NOTE 4: INTERFUND ACTIVITIES

The composition of interfund balances at June 30, 2024, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds ⁽¹⁾	\$ 602,944
Nonmajor Governmental Funds	Nonmajor governmental funds ⁽²⁾	36,000
	Total	<u>\$ 638,944</u>

(1) The General Fund advanced funds to the CDBG Fund, Senior Bus Program Fund, Highway Safety Improvement Program Fund, Emergency Management Preparation Grant Fund, and Enhanced Infrastructure Financing District (EIFD) Fund to cover deficit cash balances.

(2) The Street Improvement, Storm Drain Improvement Fund, Park Development Fund, Street Improvement Fund and Facilities Development Fund advanced funds of \$9,000 each to the Enhanced Infrastructure Financing District Fund to cover expenditures.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Housing Authority	General Fund	\$ 168,205

In April 1980, the Community Redevelopment Agency (CRA) entered into a pass-through agreement with the City, which was found to be in noncompliance with State statutes. The misallocated tax increment was being treated as an advance payable to the former Community Redevelopment Agency from the General Fund. Upon the dissolution of the Redevelopment Agency, the advance receivable was transferred to the Housing Authority and the Successor Agency and is shown as an advance to other funds in the Housing Authority in the amount of \$168,205. The advance is to be repaid as funds are available.

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 4: INTERFUND ACTIVITIES (CONTINUED)

Interfund Transfers:

Fund Receiving Transfer	Fund Making Transfer	Amount
Nonmajor governmental funds	General fund ⁽¹⁾	\$ 248,695
Nonmajor governmental funds	Nonmajor governmental funds ⁽²⁾	911,688
	Total	<u>\$ 1,160,383</u>

(1) Transfers in the amount of \$161,222 were made from the General Fund to the State Gas Tax Fund for franchise sweep fees and pavement impact fees. Transfers in the amount of \$5,500 were made to the Senior Bus Program Fund for additional funding.

(2) Transfers in the amount of \$850,688 were made to the Capital Improvement – Streets Fund for the Traffic Signal Modification Project on Barton Road and Preston Street. Transfers in the amount of \$11,000 were made to the Senior Bus Program Fund for additional funding. Transfers of \$50,000 were made from the Spring Mountain Ranch for operating costs reimbursements to the general fund.

NOTE 5: CAPITAL ASSETS

A. Governmental Activities

A summary of the changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 2,194,955	\$ 5,000	\$ —	\$ 2,199,955
Construction-in-progress	1,008,270	4,040	—	1,012,310
Total Capital Assets, Not Being Depreciated/Amortized	<u>3,203,225</u>	<u>9,040</u>	<u>—</u>	<u>3,212,265</u>
Capital assets, being depreciated/amortized				
Buildings	4,684,805	15,750	—	4,700,555
Machinery, equipment, and vehicles	1,435,519	166,349	—	1,601,868
Vehicles	711,318	351,881	39,343	1,023,856
Improvements other than buildings	6,594,036	268,903	—	6,862,939
Infrastructure	4,963,033	196,650	—	5,159,683
Subscription asset	201,791	—	6,666	195,125
Total Capital Assets, Being Depreciated/Amortized	<u>18,590,502</u>	<u>999,533</u>	<u>46,009</u>	<u>19,544,026</u>
Less accumulated depreciation/amortization				
Buildings	3,115,727	43,064	—	3,158,791
Machinery, equipment, and vehicles	1,074,236	66,188	—	1,140,424
Vehicles	607,231	54,717	39,343	622,605
Improvements other than buildings	4,694,726	293,305	—	4,988,031
Infrastructure	3,455,557	277,366	—	3,732,923
Subscription asset	51,320	79,753	6,666	124,407
Total Accumulated Depreciation/Amortization	<u>12,998,797</u>	<u>814,393</u>	<u>46,009</u>	<u>13,767,181</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>5,591,705</u>	<u>185,140</u>	<u>—</u>	<u>5,776,845</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 8,794,930</u>	<u>\$ 194,180</u>	<u>\$ —</u>	<u>\$ 8,989,110</u>

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

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

General government	\$	178,305
Public safety		8,093
Public Works		345,058
Culture and recreation		282,937
Total depreciation/amortization expense	\$	<u>814,393</u>

B. Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, being depreciated/amortized				
Sewer mains	\$ 4,023,128	\$ —	\$ —	\$ 4,023,128
Laterals	1,890,944	—	—	1,890,944
Manholes	1,298,760	—	—	1,298,760
Improvements	202,274	—	—	202,274
Total Capital Assets, Being Depreciated/Amortized	<u>7,415,106</u>	<u>—</u>	<u>—</u>	<u>7,415,106</u>
Less accumulated depreciation/amortization				
Sewer mains	1,739,759	44,701	—	1,784,460
Laterals	730,183	21,010	—	751,193
Manholes	532,258	14,431	—	546,689
Improvements	147,488	8,428	—	155,916
Total Accumulated Depreciation/Amortization	<u>3,149,688</u>	<u>88,570</u>	<u>—</u>	<u>3,238,258</u>
Total Business-type Activities Capital Assets, Net	<u>\$ 4,265,418</u>	<u>\$ (88,570)</u>	<u>\$ —</u>	<u>\$ 4,176,848</u>

NOTE 6. COMPENSATED ABSENCES

Compensated absences activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 132,530	\$ 274,089	\$ 227,364	\$ 179,255	\$ 44,814

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements. The liability will be paid in future years as it becomes due from the General Fund.

NOTE 7: PENSION PLANS

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

NOTE 7: PENSION PLANS (CONTINUED)

Benefits Provided

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

Below is the summary of the plans' provisions and benefits in effect at June 30, 2024, for which the City of Grand Terrace has contracted:

	Miscellaneous Cost-Sharing Plans		
	Tier 1*	Ter 2*	PEPRA
Hire date	Prior to December 13, 2012	December 13, 2012 but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.7% @55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2% - 2.7%, 50 yrs - 63+ yrs respectively	1.092% - 2.418%, 50 yrs - 63+ yrs respectively	1.000% - 2.500%, 52 yrs - 67+ yrs respectively
Required employee contribution rates	7.960%	6.930%	6.750%
Required employer contribution rates	14.030%	8.630%	7.470%

Contribution description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the employer contributions recognized as a reduction to the net pension liability was \$517,619.

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of \$6,098,734.

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 7: PENSION PLANS (CONTINUED)

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2022 and 2023 was as follows:

Proportions as a percentage of the CalPERS risk pool:

Proportion - June 30, 2022	0.05098%
Proportion - June 30, 2023	<u>0.04889%</u>
Change	<u><u>-0.00209%</u></u>

For the year ended June 30, 2024, the City recognized a total pension expense of \$245,329. At June 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 517,619	\$ —
Changes of assumptions	368,208	—
Differences between expected and actual experience	311,556	48,330
Net difference between projected and actual earnings on pension plan investments	987,440	—
Differences between actual vs proportionate share of contribution	70,065	390,299
Change in employer proportion	—	445,816
Total	<u>\$ 2,254,888</u>	<u>\$ 884,445</u>

\$517,619 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30,	Deferred (Inflows) of Resources
2025	\$ 172,564
2026	133,672
2027	526,516
2028	20,072
Total	<u>\$ 852,824</u>

NOTE 7: PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2023, the total pension liability was determined using using the July 1, 2022 to June 30, 2023 measurement period. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous Plan ⁽¹⁾
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	Varies by Entry Age and Service
Mortality ⁽²⁾	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract cost of living adjustment (COLA) up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Actuarial assumptions are the same for all benefit tiers (Classic Tier I, Classic Tier II, and PEPRA)

(2) The mortality table used was developed based on the CalPERS' specific data. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on the table, please refer to the CalPERS December 2017 experience study report (based on CalPERS demographic data from 1997-2015) available on CalPERS' website.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The expected rate of return was then set equivalent to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

NOTE 7: PENSION PLANS (CONTINUED)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Real Return 1, 2
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

1 An expected inflation of 2.30% used for this period.

2 Figures are based on the 2021 Asset Liability Management study

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

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.90% or 1-percentage-point higher 7.90% than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	\$8,836,437	\$6,098,734	\$3,845,369

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS' website for additional information.

NOTE 8: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

Plan Description

The City provides a medical plan coverage for retirees. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 50 or older with at least five years of State or public agency service.

NOTE 8: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

Medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the City has elected the unequal contribution method, where the contribution will be increased annually over twenty years until it reaches the same employer contribution as active employee medical plan coverage.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. Currently, contributions are not required from plan members. The City is funding the Other-Post Employment Benefits plan on a pay-as-you-go basis. For fiscal year ended June 30, 2024, the City paid \$73,724 in retiree health benefits.

Employees Covered

At June 30, 2024, the measurement date, the following numbers of participants were covered by the benefit terms:

Inactive members currently receiving benefits	10
Inactive members entitled to but not yet receiving benefits	16
Active members	19
Total	45

Covered participant counts were available to the actuary for the June 30, 2023 actuarial valuation but not as of June 30, 2024 measurement date.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2024 for the measurement period July 1, 2023 through June 30, 2024. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial assumptions:

Actuarial Assumptions:

Discount Rate	3.93 annually which is the Bond Buyer 20-Bond General Obligation Index on the Measurement Date. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Inflation	2.5% annually
Investment Rate of Return	N/A
Healthy Mortality	Based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Police members
Healthcare Trend Rate	Short-term healthcare trends are based on recent plan experience. Long-term healthcare trends are based on a Society of Actuaries report performed by a committee of actuaries and economists.

Change of Assumptions

For the measurement date June 30, 2024, the discount rate increased from 3.86% to 3.93%.

NOTE 8: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%.

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance at June 30, 2022	<u>\$ 1,169,969</u>
Changes recognized for the measurement period:	
Service cost	59,647
Interest on total pension liability	45,873
Changes of assumptions	8,391
Differences between expected and actual experience	201,121
Benefit payments	<u>(83,166)</u>
Net changes during 2022-23	<u>231,866</u>
Balance at June 30, 2024	<u><u>\$1,401,835</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2024:

	Discount Rate		
	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	<u>\$ 1,572,812</u>	<u>\$ 1,401,835</u>	<u>\$ 1,258,853</u>

NOTE 8: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or one percentage point lower than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	<u>\$ 1,233,101</u>	<u>\$ 1,401,835</u>	<u>\$ 1,607,545</u>

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$24,733. At June 30, 2024, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 215,653	\$ 293,134
Differences between expected and actual experience	117,826	365,245
Total	<u>\$ 333,479</u>	<u>\$ 658,379</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30,	Deferred (Inflows) of Resources
2025	\$ (54,777)
2026	(54,777)
2027	(59,689)
2028	(88,245)
2029	(97,338)
Thereafter	29,926
Total	<u>\$ (324,900)</u>

NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into various SBITAs as the subscriber for the use of software services. An initial subscription liability was recorded in the amount of \$201,791 during the current fiscal year. The terms of these subscriptions range from 1 to 3 years. As of June 30, 2024, the total value of the subscription liability was \$41,780. The subscriptions have interest rates ranging from 2.19% to 2.85%.

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Information on the subscription assets as of June 30, 2024 are as follows:

Governmental Activities		
Subscription Type	Amount of SBITA Capital Assets	Accumulated Amortization
Software as a service	\$ 195,125	\$ 124,406

Subscriptions payable activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Subscriptions Payable	\$ 119,358	\$ —	\$ 77,578	\$ 41,780	\$ 41,780

The future principal and interest subscription payments as of June 30, 2024, were as follows:

Governmental Activities		
Fiscal Year Ending June 30,	Amount of SBITA Capital Assets	Accumulated Amortization
2025	41,780	984
	<u>\$ 41,780</u>	<u>\$ 984</u>

NOTE 10: RISK MANAGEMENT

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The following joint venture disclosures are made in compliance with GASB Code Section J50.103:

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Grand Terrace is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

NOTE 10: RISK MANAGEMENT (CONTINUED)

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$50 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>

Primary Workers' Compensation Programs

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Liability Insurance

The City of Grand Terrace participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Grand Terrace. Coverage is on a claim's made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Grand Terrace participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Grand Terrace property is currently insured according to a schedule of covered property submitted by the City of Grand Terrace to the Authority. City of Grand Terrace property currently has all-risk property insurance protection in the amount of \$15,602,299. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of Grand Terrace purchases crime insurance coverage in the amount of "Non Participant" with a "Non Participant" deductible. The fidelity coverage is provided through the Authority.

NOTE 10: RISK MANAGEMENT (CONTINUED)

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

NOTE 11: COMMITMENTS AND CONTINGENCIES

As of June 30, 2024, in the opinion of the City Administration and its legal counsel, there are no outstanding matters, which would have a material effect on the financial position of the City. The following material construction commitments existed at June 30, 2024:

Project Name	Amount	Expenditures to date as of June 30, 2024	Remaining Commitment
Barton/Colton Bridge Project	\$ 26,547	\$ 24,859	\$ 1,688
Michigan Walkable Street Plan	74,509	57,484	17,025
Barton Road Streetscape Plan	60,000	59,799	201
Blue Mountain Trail	258,481	134,443	124,038
HSIP Cycle 9 - Mt Vernon Guardrail Project	32,415	21,627	10,788
Pavement Rehabilitation Project Fiscal Year 22-23	1,958,000	1,802,776	155,224
Concrete Rehabilitation - Sidewalk & Ramps	92,747	78,251	14,496
Pavement Rehabilitation Project Fiscal Year 23-24	1,306,800	1,175,646	131,154

NOTE 12: PROPOSITION 218

Proposition 218, which was approved by the voters in November 1996, will regulate the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

NOTE 13: SALES TAX SHARING AGREEMENT

The City has entered into a tax abatement agreement with a local business. The abatement may be granted to any business located in or promising to relocate in the City. For the Fiscal Year ended June 30, 2024, the City has not made any payments.

The City has a sales tax sharing agreement between a restaurant in which the City agreed to waive \$35,000 of building permit fees and also agreed to provide financial assistance by making payments to the business of sales tax revenue paid by the business collected in the amount of \$8,300 per year for five years for a maximum total of \$41,500 or until the business' sales exceed \$1.6 million per year, whichever occurs first. The tax sharing agreement was to generate sales tax revenues including new employment opportunities for the City.

CITY OF GRAND TERRACE
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 14: FUND BALANCE AND NET POSITION

The fund balances of the City's governmental funds as of June 30, 2024, are presented below:

Classification	General Fund	Housing Authority	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid costs	\$ 191,229	\$ —	\$ —	\$ —	\$ 191,229
Notes and loans	1,027,523	—	—	—	1,027,523
Subtotal - nonspendable	1,218,752	—	—	—	1,218,752
Restricted:					
Community development	—	2,059,335	—	1,402,520	3,461,855
Public safety	—	—	69,717	(3,224)	66,493
Public works	—	—	—	3,464,681	3,464,681
Infrastructure Projects	1,057,737	—	—	—	1,057,737
Subtotal - restricted	1,057,737	2,059,335	69,717	4,863,977	8,050,766
Committed to:					
Contingencies	5,800	—	—	—	5,800
Equipment replacement	1,412,427	—	—	—	1,412,427
Community services	951,602	—	—	—	951,602
Subtotal - committed	2,369,829	—	—	—	2,369,829
Assigned to:					
Debt Service	94,000	—	—	—	94,000
Continuing appropriations	50,000	—	—	—	50,000
Subtotal - assigned	144,000	—	—	—	144,000
Unassigned	5,716,975	—	—	(667,936)	5,049,039
Total Fund Balance	\$ 10,507,293	\$ 2,059,335	\$ 69,717	\$ 4,196,041	\$ 16,832,386

NOTE 15: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through March 28, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

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Required Supplementary Information

CITY OF GRAND TERRACE
Miscellaneous Cost-Sharing Plan
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Fiscal Year	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Miscellaneous Plan				
Proportion of the Net Pension Liability	0.04889%	0.05098%	0.06318%	0.04931%
Proportionate Share of the Net Pension Liability	\$ 6,098,734	\$ 5,888,367	\$ 3,416,796	\$ 5,365,454
Covered Payroll	\$ 1,238,975	\$ 1,093,543	\$ 1,120,557	\$ 1,347,989
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	492.24%	538.47%	304.92%	398.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.97%	76.68%	88.29%	75.26%

Notes to Schedule

Benefit Changes: No changes in benefits

Changes in assumptions: There were no changes in assumptions

CITY OF GRAND TERRACE
Miscellaneous Cost-Sharing Plan
Schedule of Proportionate Share of the Net Pension Liability (Continued)
As of June 30, for the Last Ten Fiscal Years

2020	2019	2018	2017	2016	2015
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
0.05018%	0.05077%	0.05107%	0.05243%	0.05638%	0.05190%
\$ 5,141,928	\$ 4,891,935	\$ 5,064,768	\$ 4,536,720	\$ 3,870,057	\$ 3,229,236
\$ 1,382,907	\$ 1,352,434	\$ 1,540,292	\$ 1,335,625	\$ 1,452,613	\$ 1,413,685
371.82%	361.71%	328.82%	339.67%	266.42%	228.43%
75.26%	75.26%	73.31%	75.87%	79.82%	78.40%

CITY OF GRAND TERRACE
Miscellaneous Cost-Sharing Plan
Schedule of Contributions
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 517,619	\$ 683,993	\$ 625,266	\$ 576,539
Contribution in Relation to the Actuarially Determined Contributions	(517,619)	(683,993)	(625,266)	(576,539)
Contribution Deficiency (Excess)	\$ —	\$ —	\$ —	\$ —
Covered-Employee Payroll	\$ 1,236,321	\$ 1,238,975	\$ 1,093,543	\$ 1,120,557
Contributions as a percentage of Covered-Employee Payroll	41.87%	55.21%	57.18%	51.45%

Notes to Schedule of Plan Contributions:

Valuation Date June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Discount Rate	.
General Inflation	.
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds

¹CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2021 experience study report

CITY OF GRAND TERRACE
Miscellaneous Cost-Sharing Plan (Continued)
Schedule of Contributions
As of June 30, for the Last Ten Fiscal Years

2020	2019	2018	2017	2016	2015
\$ 383,360	\$ 383,835	\$ 391,538	\$ 424,915	\$ 116,663	\$ 159,393
(383,360)	(383,835)	(391,538)	(424,915)	(116,663)	(159,393)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 1,347,989	\$ 1,382,907	\$ 1,352,434	\$ 1,540,292	\$ 1,335,625	\$ 1,452,613
28.44%	27.76%	28.95%	27.59%	8.73%	10.97%

CITY OF GRAND TERRACE

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios

As of June 30, for the Last Ten Fiscal Years¹

	2024	2023	2022	2021
TOTAL OPEB LIABILITY				
Service cost	\$ 59,647	\$ 52,849	\$ 169,184	\$ 147,070
Interest on total pension liability	45,873	\$ 40,640	40,289	44,484
Actual and expected experience difference	201,121	(8,394)	(459,592)	(601)
Changes of benefit terms	8,391	(24,225)	(558,553)	136,171
Changes of assumptions	—	97,786	—	—
Benefit payments	(83,166)	(73,724)	(70,598)	(62,881)
Net change in total OPEB liability	231,866	84,932	(879,270)	264,243
Total OPEB liability-beginning	1,169,969	1,085,037	1,964,307	1,700,064
Total OPEB liability-ending	\$ 1,401,835	\$ 1,169,969	\$ 1,085,037	\$ 1,964,307
Covered-employee payroll	\$ 599,688	\$ 720,675	\$ 768,207	\$ 1,076,159
Total OPEB Liability as a Percentage of Covered-Employee Payroll	209%	162%	141%	183%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: The discount rate changed from 3.86% to 3.93%. Updated the healthcare trend rates from the 2021 Getzen model to the 2023 Getzen model

CITY OF GRAND TERRACE

Schedule of Changes in the Total OPEB Liability/(Asset) and Related Ratios (Continued)

As of June 30, for the Last Ten Fiscal Years¹

2020	2019	2018
\$ 110,779	\$ 107,552	\$ 169,316
50,131	48,506	51,629
119,429	—	—
121,299	62,620	(45,427)
—	—	(259,790)
(46,213)	(39,770)	(45,629)
355,425	178,908	(129,901)
1,344,639	1,165,731	1,295,632
\$ 1,700,064	\$ 1,344,639	\$ 1,165,731
\$ 1,300,021	\$ 1,575,073	\$ 866,196
131%	85%	135%

Budgetary Information

**Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
General Fund and Major Special Revenue Funds**

CITY OF GRAND TERRACE

General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes	\$ 5,874,463	\$ 5,874,463	\$ 8,531,762	\$ 2,657,299
Intergovernmental	58,500	58,500	133,164	74,664
Charges for services	1,466,370	1,466,370	1,738,765	272,395
Use of money and property	353,009	353,009	654,151	301,142
Miscellaneous	44,010	44,010	57,628	13,618
Total revenues	7,833,852	7,833,852	11,175,713	3,341,861
EXPENDITURES				
Current:				
General government	2,137,240	2,137,240	1,910,569	226,671
Public safety	2,844,000	2,928,000	2,763,259	164,741
Public works	1,633,979	1,753,094	1,760,630	(7,536)
Cultural and recreation	996,948	1,254,903	815,058	439,845
Capital outlay	140,700	313,422	553,207	(239,785)
Debt service:				
Principal retirement	—	—	77,578	(77,578)
Interest expense and fiscal charges	—	—	3,806	(3,806)
Total expenditures	7,752,867	8,386,659	7,884,107	502,552
Excess (deficiency) of revenues over (under) expenditures	80,985	(552,807)	3,291,606	3,844,413
OTHER FINANCING SOURCES (USES)				
Transfers in	85,000	85,000	50,000	(35,000)
Transfers out	(110,500)	(192,010)	(248,695)	(56,685)
Subscriptions issued	—	—	195,125	195,125
Total other financing sources (uses)	(25,500)	(107,010)	(3,570)	103,440
Net change in fund balance	\$ 55,485	\$ (659,817)	3,288,036	\$ 3,947,853
Fund balance-beginning			7,219,257	
Fund balance-ending			\$ 10,507,293	

CITY OF GRAND TERRACE

Housing Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 65,000	\$ 65,000	\$ —	\$ (65,000)
Use of money and property	—	—	44,932	44,932
Total revenues	65,000	65,000	44,932	(20,068)
EXPENDITURES				
Current:				
Public works	90	90	—	90
Economic development	35,710	35,710	38,324	(2,614)
Capital outlay	70	70	—	70
Total expenditures	35,870	35,870	38,324	(2,454)
Net change in fund balance	\$ 29,130	\$ 29,130	6,608	\$ (22,522)
Fund balance-beginning			2,052,727	
Fund balance-ending			\$ 2,059,335	

CITY OF GRAND TERRACE

ARPA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ —	\$ —	\$ 747,544	\$ 747,544
Total revenues	—	—	747,544	747,544
EXPENDITURES				
Current:				
Public Works	—	785,989	785,989	—
Total expenditures	—	785,989	785,989	—
Net change in fund balance	\$ —	\$ (785,989)	(38,445)	\$ 747,544
Fund balance-beginning, as restated			108,162	
Fund balance-ending			\$ 69,717	

CITY OF GRAND TERRACE

Notes to the Required Supplementary Information

For the Year Ended June 30, 2024

NOTE 1: BUDGETARY DATA

The annual budget is adopted by the City Council after the holding of a hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" (as defined by GASB Code Section 2400.109) covers City expenditures in all governmental funds, except for the Public Financing Authority Debt Service Fund. This entity does not adopt an annual budget as effective budgetary control is achieved through bond indenture and other instrument provisions. Actual expenditures may not exceed budgeted appropriations at the fund level.

Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances and unencumbered appropriations lapse at year-end.

Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.

Capital projects are budgeted through the Capital Project Funds. Appropriations for capital projects authorized, but not constructed or completed during the year, lapse at year-end, and are then included as a part of appropriations in the following year's annual budget.

For the fiscal year ending June 30, 2024, the following funds had no adopted annual budgets:

- Enhanced Infrastructure Financing District
- Barton/Colton Bridge
- Dog Park Endowment

Supplementary Information

Nonmajor Governmental Funds

CITY OF GRAND TERRACE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Street Improvement	Storm Drain Improvement	Park Development	AB 3229 COPS
ASSETS				
Cash and investments	\$ 801,053	\$ 309,205	\$ 101,617	\$ 26,624
Receivables (net of allowance for uncollectible):				
Accounts receivable	—	—	—	—
Due from other governments, current	—	—	—	—
Due from other funds	9,000	9,000	9,000	—
Total assets	\$ 810,053	\$ 318,205	\$ 110,617	\$ 26,624
LIABILITIES				
Accounts payable	\$ —	\$ —	\$ —	\$ —
Refundable deposits	4,663	—	—	—
Due to other funds	—	—	—	—
Total liabilities	4,663	—	—	—
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	—	3,195	66,919	—
Total deferred inflows of resources	—	3,195	66,919	—
FUND BALANCES (DEFICITS)				
Restricted	805,390	315,010	43,698	26,624
Unassigned	—	—	—	—
Total fund balances (deficits)	805,390	315,010	43,698	26,624
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 810,053	\$ 318,205	\$ 110,617	\$ 26,624

CITY OF GRAND TERRACE
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

Air Quality Improvement	State Gas Tax	Traffic Safety	Facilities Development	Measure I	CDBG
\$ 82,538	\$ 361,759	\$ 26,060	\$ 185,105	\$ 446,471	\$ —
—	—	—	—	—	—
4,311	31,372	986	—	57,720	95,042
—	—	—	9,000	—	—
\$ 86,849	\$ 393,131	\$ 27,046	\$ 194,105	\$ 504,191	\$ 95,042
\$ —	\$ 16,960	\$ —	\$ —	\$ 3,206	\$ 6,139
—	—	—	—	—	—
—	—	—	—	—	94,407
—	16,960	—	—	3,206	100,546
4,311	—	—	—	—	103,944
4,311	—	—	—	—	103,944
82,538	376,171	27,046	194,105	500,985	—
—	—	—	—	—	(109,448)
82,538	376,171	27,046	194,105	500,985	(109,448)
\$ 86,849	\$ 393,131	\$ 27,046	\$ 194,105	\$ 504,191	\$ 95,042

CITY OF GRAND TERRACE
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Special Districts Landscape & Lighting	Spring Mountain Ranch	Cal Recycle Grant	Senior Bus Program
ASSETS				
Cash and investments	\$ 171,279	\$ 980,870	\$ 22,242	\$ —
Receivables (net of allowance for uncollectible):				
Accounts receivable	—	—	—	—
Due from other governments, current	479	—	—	179,402
Due from other funds	—	—	—	—
Total assets	\$ 171,758	\$ 980,870	\$ 22,242	\$ 179,402
LIABILITIES				
Accounts payable	\$ 358	\$ —	\$ —	\$ 296
Refundable deposits	—	—	—	—
Due to other funds	—	—	—	183,127
Total liabilities	358	—	—	183,423
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	—	—	—	160,000
Total deferred inflows of resources	—	—	—	160,000
FUND BALANCES (DEFICITS)				
Restricted	171,400	980,870	22,242	—
Unassigned	—	—	—	(164,021)
Total fund balances (deficits)	171,400	980,870	22,242	(164,021)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 171,758	\$ 980,870	\$ 22,242	\$ 179,402

CITY OF GRAND TERRACE
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds					
Public, Educational & Government Access	Highway Safety Improvement Program	Emergency Management Preparation Grant	Enhanced Infrastructure Financing District	RMRA	National Opioid Settlement
\$ 135,698	\$ —	\$ —	\$ —	\$ 254,757	\$ 13,298
439	—	—	—	—	—
—	—	14,249	—	59,105	—
—	—	—	—	—	—
\$ 136,137	\$ —	\$ 14,249	\$ —	\$ 313,862	\$ 13,298
\$ 920	\$ —	\$ 8,671	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	68,018	12,869	46,560	—	—
920	68,018	21,540	46,560	—	—
—	—	—	—	—	—
—	—	—	—	—	—
135,217	—	—	—	313,862	13,298
—	(68,018)	(7,291)	(46,560)	—	—
135,217	(68,018)	(7,291)	(46,560)	313,862	13,298
\$ 136,137	\$ —	\$ 14,249	\$ —	\$ 313,862	\$ 13,298

CITY OF GRAND TERRACE
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Funds			
	Capital Improvements - Streets	Barton / Colton Bridge	Capital Projects Bond Proceeds	Capital Projects - Parks
ASSETS				
Cash and investments	\$ 38,597	\$ —	\$ —	\$ —
Receivables (net of allowance for uncollectible):				
Accounts receivable	—	—	—	—
Due from other governments, current	—	—	—	185,606
Due from other funds	—	—	—	—
Total assets	\$ 38,597	\$ —	\$ —	\$ 185,606
LIABILITIES				
Accounts payable	\$ 65,995	\$ —	\$ 10,350	\$ 887
Refundable deposits	—	—	—	—
Due to other funds	—	25,320	196,650	11,993
Total liabilities	65,995	25,320	207,000	12,880
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	—	—	—	185,606
Total deferred inflows of resources	—	—	—	185,606
FUND BALANCES (DEFICITS)				
Restricted	—	—	—	—
Unassigned	(27,398)	(25,320)	(207,000)	(12,880)
Total fund balances (deficits)	(27,398)	(25,320)	(207,000)	(12,880)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 38,597	\$ —	\$ —	\$ 185,606

CITY OF GRAND TERRACE
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Capital Project Funds	Permanent Funds	
Capital Projects - Commerce Way Project	Dog Park Endowment Fund	Total Nonmajor Funds
\$ 855,521	\$ 20,314	\$ 4,833,008
—	—	439
—	—	628,272
—	—	36,000
\$ 855,521	\$ 20,314	\$ 5,497,719
\$ —	\$ —	\$ 113,782
—	20,314	24,977
—	—	638,944
—	20,314	777,703
—	—	523,975
—	—	523,975
855,521	—	4,863,977
—	—	(667,936)
855,521	—	4,196,041
\$ 855,521	\$ 20,314	\$ 5,497,719

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Street Improvement	Storm Drain Improvement	Park Development	AB 3229 COPS
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	186,305
Charges for services	38,591	—	—	—
Use of money and property	32,055	9,896	4,330	2,050
Fines and forfeitures	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	70,646	9,896	4,330	188,355
EXPENDITURES				
Current:				
General government	—	—	—	186,851
Public safety	—	—	—	—
Public works	—	—	—	—
Cultural and recreation	—	—	—	—
Capital outlay	—	—	—	—
Total expenditures	—	—	—	186,851
Excess (deficiency) of revenues over (under) expenditures	70,646	9,896	4,330	1,504
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	—	—	—	—
Net change in fund balances	70,646	9,896	4,330	1,504
Fund balances (deficit)-beginning	734,744	305,114	39,368	25,120
Fund balances (deficit)-ending	\$ 805,390	\$ 315,010	\$ 43,698	\$ 26,624

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances(Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

Air Quality Improvement	State Gas Tax	Traffic Safety	Facilities Development	Measure I	CDBG
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
17,274	364,674	—	—	334,207	3,142
—	—	—	772	—	—
2,869	8,165	870	6,778	17,536	—
—	—	6,796	—	—	—
—	—	—	—	—	—
20,143	372,839	7,666	7,550	351,743	3,142
—	—	6,569	—	—	—
—	311,049	—	—	99,483	43,526
—	—	—	5,000	—	—
—	—	—	—	—	22,994
—	—	—	—	—	—
—	311,049	6,569	5,000	99,483	66,520
20,143	61,790	1,097	2,550	252,260	(63,378)
—	161,222	—	—	—	—
(11,000)	(25,040)	—	—	(199,854)	—
(11,000)	136,182	—	—	(199,854)	—
9,143	197,972	1,097	2,550	52,406	(63,378)
73,395	178,199	25,949	191,555	448,579	(46,070)
\$ 82,538	\$ 376,171	\$ 27,046	\$ 194,105	\$ 500,985	\$ (109,448)

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances(Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Special Districts Landscape & Lighting	Spring Mountain Ranch	Cal Recycle Grant	Senior Bus Program
REVENUES				
Taxes	\$ 66,049	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	78,763
Charges for services	—	—	—	104
Use of money and property	4,990	31,039	562	—
Fines and forfeitures	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	71,039	31,039	562	78,867
EXPENDITURES				
Current:				
General government	—	—	—	—
Public safety	47,094	—	—	—
Public works	—	—	—	79,792
Cultural and recreation	—	—	—	—
Capital outlay	—	—	—	226,234
Total expenditures	47,094	—	—	306,026
Excess (deficiency) of revenues over (under) expenditures	23,945	31,039	562	(227,159)
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	—	83,510
Transfers out	—	(50,000)	—	—
Total other financing sources (uses)	—	(50,000)	—	83,510
Net change in fund balances	23,945	(18,961)	562	(143,649)
Fund balances (deficit)-beginning	147,455	999,831	21,680	(20,372)
Fund balances (deficit)-ending	\$ 171,400	\$ 980,870	\$ 22,242	\$ (164,021)

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances(Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds					
Public, Educational & Government Access	Highway Safety Improvement Program	Emergency Management Preparation Grant	Enhanced Infrastructure Financing District	RMRA	National Opioid Settlement
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	14,249	—	339,143	—
—	—	—	—	—	—
4,252	—	—	—	20,777	362
—	—	—	—	—	5,378
3,717	—	—	—	—	—
7,969	—	14,249	—	359,920	5,740
—	—	—	—	—	—
9,142	—	—	—	—	—
—	—	—	—	—	—
—	—	29,212	—	—	—
—	—	—	—	—	—
9,142	—	29,212	—	—	—
(1,173)	—	(14,963)	—	359,920	5,740
—	—	14,963	—	—	—
—	—	—	—	(625,794)	—
—	—	14,963	—	(625,794)	—
—	—	—	—	—	—
136,390	(68,018)	(7,291)	(46,560)	579,736	7,558
\$ 135,217	\$ (68,018)	\$ (7,291)	\$ (46,560)	\$ 313,862	\$ 13,298

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances(Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds			
	Capital Improvements - Streets	Barton / Colton Bridge	Capital Projects Bond Proceeds	Capital Projects - Parks
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—
Charges for services	—	—	—	—
Use of money and property	1,190	—	—	89
Fines and forfeitures	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	1,190	—	—	89
EXPENDITURES				
Current:				
General government	—	—	—	—
Public safety	916,682	—	—	—
Public works	—	—	—	—
Cultural and recreation	—	—	—	—
Capital outlay	—	—	207,000	27,426
Total expenditures	916,682	—	207,000	27,426
Excess (deficiency) of revenues over (under) expenditures	(915,492)	—	(207,000)	(27,337)
OTHER FINANCING SOURCES (USES)				
Transfers in	850,688	—	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	850,688	—	—	—
Net change in fund balances	(64,804)	—	(207,000)	(27,337)
Fund balances (deficit)-beginning	37,406	(25,320)	—	14,457
Fund balances (deficit)-ending	\$ (27,398)	\$ (25,320)	\$ (207,000)	\$ (12,880)

CITY OF GRAND TERRACE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances(Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Capital Projects Funds	Permanent Funds	
Capital Projects - Commerce Way Project	Dog Park Endowment Fund	Total Nonmajor Funds
\$ —	\$ —	\$ 66,049
—	—	1,337,757
—	—	39,467
26,388	—	174,198
—	—	12,174
—	—	3,717
26,388	—	1,633,362
—	—	193,420
—	—	1,426,976
—	—	84,792
—	—	52,206
—	—	460,660
—	—	2,218,054
26,388	—	(584,692)
—	—	1,110,383
—	—	(911,688)
—	—	198,695
26,388	—	(385,997)
829,133	—	4,582,038
\$ 855,521	\$ —	\$ 4,196,041

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**Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Nonmajor Special Revenue Funds**

CITY OF GRAND TERRACE
 Street Improvement
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 86,000	\$ 86,000	\$ 38,591	\$ (47,409)
Use of money and property	2,000	2,000	32,055	30,055
Total revenues	88,000	88,000	70,646	(17,354)
Net change in fund balance	\$ 88,000	\$ 88,000	70,646	\$ (17,354)
Fund balance-beginning			734,744	
Fund balance-ending			\$ 805,390	

CITY OF GRAND TERRACE
 Storm Drain Improvement
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	\$ 800	\$ 800	\$ 9,896	\$ 9,096
Total revenues	800	800	9,896	9,096
Net change in fund balance	\$ 800	\$ 800	9,896	\$ 9,096
Fund balance-beginning			305,114	
Fund balance-ending			\$ 315,010	

CITY OF GRAND TERRACE

Park Development

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	\$ 800	\$ 800	\$ 4,330	\$ 3,530
Total revenues	800	800	4,330	3,530
Net change in fund balance	\$ 800	\$ 800	4,330	\$ 3,530
Fund balance-beginning			39,368	
Fund balance-ending			\$ 43,698	

CITY OF GRAND TERRACE

AB 3229 COPS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Intergovernmental revenues	\$ 165,000	\$ 165,000	\$ 186,305	\$ 21,305
Use of money and property	—	—	2,050	2,050
Total revenues	165,000	165,000	188,355	23,355
EXPENDITURES				
Current:				
General government	160,550	160,550	186,851	(26,301)
Total expenditures	160,550	160,550	186,851	(26,301)
Net change in fund balance	\$ 4,450	\$ 4,450	1,504	\$ (2,946)
Fund balance-beginning			25,120	
Fund balance-ending			\$ 26,624	

CITY OF GRAND TERRACE
Air Quality Improvement
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 16,400	\$ 16,400	\$ 17,274	\$ 874
Use of money and property	—	—	2,869	2,869
Total revenues	16,400	16,400	20,143	3,743
Excess (deficiency) of revenues				
over (under) expenditures	16,400	16,400	20,143	3,743
OTHER FINANCING SOURCES (USES)				
Transfers out	—	—	(11,000)	(11,000)
Total other financing sources (uses)	—	—	(11,000)	(11,000)
Net change in fund balance	\$ 16,400	\$ 16,400	9,143	\$ (7,257)
Fund balance-beginning			73,395	
Fund balance-ending			\$ 82,538	

CITY OF GRAND TERRACE

State Gas Tax

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 368,000	\$ 368,000	\$ 364,674	\$ (3,326)
Use of money and property	400	400	8,165	7,765
Total revenues	368,400	368,400	372,839	4,439
EXPENDITURES				
Current:				
Public safety	344,015	344,015	311,049	32,966
Total expenditures	344,015	344,015	311,049	32,966
Excess (deficiency) of revenues over (under) expenditures	24,385	24,385	61,790	37,405
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	70,000	161,222	91,222
Transfers out	(25,040)	(25,040)	(25,040)	—
Total other financing sources (uses)	44,960	44,960	136,182	91,222
Net change in fund balance	\$ 69,345	\$ 69,345	197,972	\$ 128,627
Fund balance-beginning			178,199	
Fund balance-ending			\$ 376,171	

CITY OF GRAND TERRACE

Traffic Safety

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	\$ —	\$ —	\$ 870	\$ 870
Charges for services	4,500	4,500	6,796	2,296
Total revenues	4,500	4,500	7,666	3,166
EXPENDITURES				
Current:				
General government	4,000	4,000	6,569	(2,569)
Total expenditures	4,000	4,000	6,569	(2,569)
Net change in fund balance	\$ 500	\$ 500	1,097	\$ 597
Fund balance-beginning			25,949	
Fund balance-ending			\$ 27,046	

CITY OF GRAND TERRACE
Facilities Development
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ —	\$ —	\$ 772	\$ 772
Use of money and property	600	600	6,778	6,178
Total revenues	600	600	7,550	6,950
EXPENDITURES				
Current:				
Public works	—	—	5,000	(5,000)
Total expenditures	—	—	5,000	(5,000)
Net change in fund balance	\$ 600	\$ 600	2,550	\$ 1,950
Fund balance-beginning			191,555	
Fund balance-ending			\$ 194,105	

CITY OF GRAND TERRACE

Measure I

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 300,000	\$ 300,000	\$ 334,207	\$ 34,207
Use of money and property	400	400	17,536	17,136
Total revenues	300,400	300,400	351,743	51,343
EXPENDITURES				
Current:				
Public safety	100,146	100,146	99,483	663
Total expenditures	100,146	100,146	99,483	663
Excess (deficiency) of revenues over (under) expenditures	200,254	200,254	252,260	52,006
OTHER FINANCING SOURCES (USES)				
Transfers out	(199,854)	(199,854)	(199,854)	—
Total other financing sources (uses)	(199,854)	(199,854)	(199,854)	—
Net change in fund balance	\$ 400	\$ 400	52,406	\$ 52,006
Fund balance-beginning			448,579	
Fund balance-ending			\$ 500,985	

CITY OF GRAND TERRACE

CDBG

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 56,020	\$ 152,544	\$ 3,142	\$ (149,402)
Total revenues	56,020	152,544	3,142	(149,402)
EXPENDITURES				
Current:				
Public safety	56,020	56,020	43,526	12,494
Cultural and recreation	—	96,524	22,994	73,530
Total expenditures	56,020	152,544	66,520	86,024
Net change in fund balance	\$ —	\$ —	(63,378)	\$ (63,378)
Fund balance (deficit)-beginning			(46,070)	
Fund balance (deficit)-ending			\$ (109,448)	

CITY OF GRAND TERRACE
Special Districts Landscape & Lighting
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 60,732	\$ 60,732	\$ 66,049	\$ 5,317
Use of money and property	—	—	4,990	4,990
Total revenues	60,732	60,732	71,039	10,307
EXPENDITURES				
Current:				
Public safety	59,290	59,290	47,094	12,196
Total expenditures	59,290	59,290	47,094	12,196
Net change in fund balance	\$ 1,442	\$ 1,442	23,945	\$ 22,503
Fund balance-beginning			147,455	
Fund balance-ending			\$ 171,400	

CITY OF GRAND TERRACE
Spring Mountain Ranch
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Licenses and permits	\$ 50,000	\$ 50,000	\$ —	\$ (50,000)
Use of money and property	2,000	2,000	31,039	29,039
Total revenues	52,000	52,000	31,039	(20,961)
Excess (deficiency) of revenues				
over (under) expenditures	52,000	52,000	31,039	(20,961)
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(50,000)	—
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	—
Net change in fund balance	\$ 2,000	\$ 2,000	(18,961)	\$ (20,961)
Fund balance-beginning			999,831	
Fund balance-ending			\$ 980,870	

CITY OF GRAND TERRACE

Cal Recycle Grant

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	21,219	21,219	—	(21,219)
Use of money and property	—	—	562	562
Total revenues	21,219	21,219	562	(20,657)
EXPENDITURES				
Current:				
General government	12,210	12,210	—	12,210
Public safety	9,009	9,009	—	9,009
Total expenditures	21,219	21,219	—	21,219
Net change in fund balance	\$ —	\$ —	562	\$ 562
Fund balance-beginning			21,680	
Fund balance-ending			\$22,242	

CITY OF GRAND TERRACE

Senior Bus Program

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 86,738	\$ 246,738	\$ 78,763	\$ (167,975)
Charges for services	3,000	3,000	104	(2,896)
Total revenues	89,738	249,738	78,867	(170,871)
EXPENDITURES				
Current:				
Public works	188,238	188,238	79,792	108,446
Capital outlay	—	227,010	226,234	776
Total expenditures	188,238	415,248	306,026	109,222
Excess (deficiency) of revenues over (under) expenditures	(98,500)	(165,510)	(227,159)	(61,649)
OTHER FINANCING SOURCES (USES)				
Transfers in	16,500	83,510	83,510	—
Total other financing sources (uses)	16,500	83,510	83,510	—
Net change in fund balance	\$ (82,000)	\$ (82,000)	(143,649)	\$ (61,649)
Fund balance (deficit)-beginning			(20,372)	
Fund balance (deficit)-ending			\$ (164,021)	

CITY OF GRAND TERRACE
Public, Educational & Government Access
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	\$ 300	\$ 300	\$ 4,252	\$ 3,952
Other income	19,000	19,000	3,717	(15,283)
Total revenues	19,300	19,300	7,969	(11,331)
EXPENDITURES				
Current:				
Public safety	16,000	16,000	9,142	6,858
Capital outlay	3,300	3,300	—	3,300
Total expenditures	19,300	19,300	9,142	10,158
Net change in fund balance	\$ —	\$ —	(1,173)	\$ (1,173)
Fund balance-beginning			136,390	
Fund balance-ending			\$ 135,217	

CITY OF GRAND TERRACE
Highway Safety Improvement Program
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 669,700	\$ 669,700	\$ —	\$ (669,700)
Total revenues	669,700	669,700	—	(669,700)
EXPENDITURES				
Capital outlay	692,534	692,534	—	692,534
Total expenditures	692,534	692,534	—	692,534
Excess (deficiency) of revenues				
over (under) expenditures	(22,834)	(22,834)	—	22,834
OTHER FINANCING SOURCES (USES)				
Transfers in	22,834	22,834	—	(22,834)
Total other financing sources (uses)	22,834	22,834	—	(22,834)
Net change in fund balance	\$ —	\$ —	—	\$ —
Fund balance (deficit)-beginning			(68,018)	
Fund balance (deficit)-ending			\$ (68,018)	

CITY OF GRAND TERRACE
Emergency Management Preparation Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 29,000	\$ 14,500	\$ 14,249	\$ (251)
Total revenues	29,000	14,500	14,249	(251)
EXPENDITURES				
Current:				
Cultural and recreation	29,000	29,000	29,212	(212)
Total expenditures	29,000	29,000	29,212	(212)
Excess (deficiency) of revenues				
over (under) expenditures	—	(14,500)	(14,963)	(463)
OTHER FINANCING SOURCES (USES)				
Transfers in	—	14,500	14,963	463
Total other financing sources (uses)	—	14,500	14,963	463
Net change in fund balance	\$ —	\$ —	—	\$ —
Fund balance (deficit)-beginning			(7,291)	
Fund balance (deficit)-ending			\$ (7,291)	

CITY OF GRAND TERRACE

RMRA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 300,000	\$ 300,000	\$ 339,143	\$ 39,143
Use of money and property	—	—	20,777	20,777
Total revenues	300,000	300,000	359,920	59,920
Excess (deficiency) of revenues over (under) expenditures	300,000	300,000	359,920	59,920
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,000)	(300,000)	(625,794)	(325,794)
Total other financing sources (uses)	(300,000)	(300,000)	(625,794)	(325,794)
Net change in fund balance	\$ —	\$ —	(265,874)	\$ (265,874)
Fund balance-beginning			579,736	
Fund balance-ending			\$ 313,862	

CITY OF GRAND TERRACE
National Opioid Settlement
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ —	\$ —	\$ —	\$ —
Use of money and property	—	—	362	362
Total revenues	3,400	3,400	5,740	2,340
Net change in fund balance	\$3,400	\$3,400	5,740	\$2,340
Fund balance-beginning			7,558	
Fund balance-ending			\$13,298	

**Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
Capital Project Funds**

CITY OF GRAND TERRACE
Capital Improvements - Streets
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	\$ —	\$ —	\$ 1,190	\$ 1,190
Total revenues	—	—	1,190	1,190
EXPENDITURES				
Current:				
Public safety	524,894	524,894	916,682	(391,788)
Total expenditures	524,894	524,894	916,682	(391,788)
Excess (deficiency) of revenues over (under) expenditures	(524,894)	(524,894)	(915,492)	(390,598)
OTHER FINANCING SOURCES (USES)				
Transfers in	524,894	524,894	850,688	325,794
Total other financing sources (uses)	524,894	524,894	850,688	325,794
Net change in fund balance	\$ —	\$ —	(64,804)	\$ (64,804)
Fund balance -beginning			37,406	
Fund balance (deficit)-ending			\$ (27,398)	

CITY OF GRAND TERRACE
Capital Projects Bond Proceeds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES				
Capital outlay	—	211,200	207,000	4,200
Total expenditures	—	211,200	207,000	4,200
Net change in fund balance	\$ —	\$ (211,200)	(207,000)	\$ 4,200
Fund balance-beginning			—	
Fund balance (deficit)-ending			\$ (207,000)	

CITY OF GRAND TERRACE
Capital Projects - Parks
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	1,456,940	1,456,940	—	(1,456,940)
Use of money and property	—	—	89	89
Total revenues	1,456,940	1,456,940	89	(1,456,851)
EXPENDITURES				
Capital outlay	1,456,940	1,456,940	27,426	1,429,514
Total expenditures	1,456,940	1,456,940	27,426	1,429,514
Net change in fund balance	\$ —	\$ —	(27,337)	\$ (27,337)
Fund balance-beginning			14,457	
Fund balance (deficit)-ending			\$ (12,880)	

CITY OF GRAND TERRACE
 Capital Projects - Commerce Way Project
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Use of money and property	—	—	26,388	26,388
Total revenues	—	—	26,388	26,388
Net change in fund balance	\$ —	\$ —	26,388	\$ 26,388
Fund balance-beginning			829,133	
Fund balance-ending			\$ 855,521	

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March 28, 2025

To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Grand Terrace, California, (the "City") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2023-2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimates of the net pension liability and other postemployment benefits liability are based on actuarial valuation estimates. We evaluated the methods, assumptions, and data used to develop the actuarial valuation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 28, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

Restriction on Use

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

Very truly yours,

LSL, LLP

LSL, LLP



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

To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Grand Terrace, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Purpose of This Report

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

LSL, LLP

Irvine, California
March 28, 2025



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Housing Successor Agency Annual Financial Report for the Year Ended June 30, 2024

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: Receive and file the Auditor's Annual Financial Report and related document for the City's Housing Successor Agency.

2030 VISION STATEMENT:

This staff report supports Goal #1, Ensuring Our Fiscal Viability” through the continuous monitoring of revenue receipts and expenditure disbursements against approved budget appropriations.

BACKGROUND:

Each year, the City has an independent audit conducted of its financial statements and related internal control procedures. Included in this is the Audit of the City’s Housing Successor Agency. The audit for the Housing Successor Agency for the fiscal year ending June 30, 2024 has been completed, and the Annual Financial Report was issued by the City’s auditor, Lance, Soll & Lunghard, LLP.

DISCUSSION:

One of the key aspects of any annual financial audit is the Independent Auditor’s Report, which is provided on page 1 of the **Annual Audit Report (Exhibit A)**. The Independent Auditor’s Report provides its opinion on whether or not the financial statements fairly represent, in all material respects, the respective financial position of the governmental activities, and the major fund, as of the end of the fiscal year, and the respective changes in financial position and cash flows, where applicable, in conformance with *Generally Accepted Accounting Principles* (GAAP). The resulting “opinion letter” is either *unmodified* or *modified*. The “opinion letter” received by the City for its Housing Successor Agency financial statements for the period ending June 30, 2024, is *unmodified*, indicating that the financial statements fairly represent the City’s financial position in accordance with GAAP.

In addition to the Annual Financial Report, the independent auditor issued the related document, which is summarized below:

Internal Control & Compliance Report (Exhibit B)

The Internal Control & Compliance Report identifies any material internal control deficiencies that impact the financial statements. The results of the tests performed by the City auditors did not identify any deficiencies in internal control that are required to be reported under *Government Auditing Standards*. In addition, the results of the Auditor’s tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

There is no fiscal impact associated with the receipt of the Annual Financial Report and related documents for the year ended June 30, 2024.



GRAND TERRACE HOUSING SUCCESSOR AGENCY
GRAND TERRACE, CALIFORNIA
FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS

Focused
on YOU



GRAND TERRACE
HOUSING SUCCESSOR AGENCY

Grand Terrace, California

Financial Statements

For the Year Ended June 30, 2024

GRAND TERRACE
HOUSING SUCCESSOR AGENCY

GRAND TERRACE, CALIFORNIA

Financial Statements

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major governmental fund of the Grand Terrace Housing Successor, (the Housing Successor), a special revenue fund of the City of Grand Terrace, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Housing Successor' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and the major governmental fund of the Grand Terrace Housing Successor as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Successor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Housing Successor and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Successor's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Successor's basic financial statements. The accompanying *Computation of Excess/Surplus* (supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Computation of Excess/Surplus* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of the Housing Successor's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Successor's internal control over the Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Successor's internal control over the Fund's financial reporting and compliance.

Irvine, California
December 23, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

Report on Compliance

Opinion

We have audited the City of Grand Terrace Housing Successor (the "Housing Successor")'s, compliance with the types of compliance requirements identified as subject to audit in the California Health and Safety Code sections applicable to the California Housing Successor Agencies (the "HSC") for the year ended June 30, 2024.

In our opinion, the Housing Successor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Housing Successor for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the HSC. Our responsibilities under those standards and the HSC are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Successor and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Program. Our audit does not provide a legal determination of the Housing Successor's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Successor's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the HSC will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Successor's compliance with the requirements of the Program as a whole.



To the Honorable Mayor and Members of the City Council
City of Grand Terrace, California

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the HSC, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Successor's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Successor's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the HSC, but not for the purpose of expressing an opinion on the effectiveness of the Housing Successor's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the HSC. Accordingly, this report is not suitable for any other purpose.

Irvine, California
December 23, 2024

GRAND TERRACE HOUSING SUCCESSOR AGENCY
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2024

	Governmental Fund	Reclassifications and Eliminations	Statement of Net Position
Assets:			
Cash and investments	\$ 1,439,136	\$ -	\$ 1,439,136
Receivables:			
Notes and loans	513,130	-	513,130
Advances to City	168,205	-	168,205
Total Assets	2,120,471	-	2,120,471
Liabilities, Deferred Inflows of Resources, and Fund Balance:			
Liabilities			
Accounts payable	\$ 6	-	6
Total Liabilities	6	-	6
Deferred Inflows of Resources:			
Unavailable revenues	61,130	(61,130)	-
Total Deferred Inflows of Resources	61,130	(61,130)	-
Fund Balance/Net Position:			
Fund Balance			
Restricted for:			
Low and moderate housing activities	2,059,335	(2,059,335)	-
Total Fund Balance	2,059,335	(2,059,335)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,120,471		
Net Position			
Restricted for:			
Low and moderate housing activities		2,059,335	2,120,465
Total Net Position		\$ 61,130	\$ 2,120,465

GRAND TERRACE HOUSING SUCCESSOR AGENCY
Statement of Activities and Governmental Statement of
Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2024

	Governmental Fund	Reclassifications and Eliminations	Statement of Activities
Revenues:			
Use of money and property	\$ 44,932	\$ -	\$ 44,932
Total Revenues	44,932	-	44,932
Expenditures:			
Current:			
Community development	38,324	-	38,324
Total Expenditures	38,324	-	38,324
Net Change in Fund Balance/Net Position	6,608	-	6,608
Fund Balance/Net Position:			
Beginning of Year	2,052,727	61,130	2,113,857
End of Year	\$ 2,059,335	\$ 61,130	\$ 2,120,465

I. SIGNIFICANT ACCOUNTING POLICIES

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The accompanying financial statements present only the Housing Successor Agency Special Revenue Fund of the City of Grand Terrace, California and do not include any other funds of the City. The City's basic financial statements are available at City Hall.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill impacted the reporting entity of the City of Grand Terrace that previously had reported a redevelopment agency within the report of the City as a blended component unit.

On January 10, 2012, and in accordance with California Health and Safety Code Section 34176, the City Council as part of City resolution number CC-2012-06, elected to retain the housing assets and function of the former redevelopment agency. The City continues to report the housing assets and functions in the government special revenue fund designated City Housing Successor.

The attached basic financial statements contain information relative only to the Grand Terrace Housing Successor Agency Fund (the Housing Successor).

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net position and Statement of Activities) report information on all activities of the Housing Successor. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental special revenue fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget

Budget for the Housing Successor Fund is adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

E. Deferred Inflow of Resources

The balance sheet of the governmental fund is reporting deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Housing Successor has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from long-term loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Fund Balance and Net Position

Fund Balance

The Housing Successor's fund balances are classified on the governmental fund balance sheet among the following categories:

Nonspendable Fund Balance - This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - This includes amounts that can be used only for the specific purposes determined by a formal action of the city council.

Assigned Fund Balance - This includes amounts that are designated by the City Council for specific purposes.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Housing Successor's policy is to apply restricted fund balance first.

When expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the Housing Successor's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Net Position

The net position reported on the Statement of Net Position in the government-wide financial statements consists of the following three categories:

Invested in capital assets - This amount consists of capital assets, net of accumulated depreciation.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted Net Position - This amount is all net position that do not meet the definition of "investment in capital assets" or "restricted net position".

NOTE 2: CASH AND INVESTMENTS

The City of Grand Terrace maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The Housing Successor Agency pooled cash and investments as of June 30, 2024, was \$1,439,136. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments is included in the City's basic financial statements, which are available at City Hall.

NOTE 3: NOTES AND LOANS RECEIVABLE

The Low and Moderate Housing Fund of the City's former redevelopment agency issued first time homebuyer and rehabilitation second trust loans with interest rates ranging from zero to 3%. The loan balances are due upon the sale of the properties. Interest of \$18,590 has accrued on the loans for a total of \$513,130.

NOTE 4: ADVANCES TO CITY

In previous years, the Low and Moderate Housing Fund of the City's former redevelopment agency advanced funds in the amount \$168,205 to the City's General Fund. On June 22, 2010, the City adopted Resolution 2010-15, in which the cumulative interagency borrowings were memorialized and which set forth a repayment plan by the City to the former Agency subject to available funds.

NOTE 5: INSURANCE

The Housing Successor Agency participates in the self-insurance programs of the City of Grand Terrace. Disclosures relating to the self-insurance programs can be found in the City's Annual Comprehensive Financial Report.

GRAND TERRACE HOUSING SUCCESSOR AGENCY
 Budgetary Comparison Schedule
 Governmental Fund
 For the Year Ended June 30, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,052,727	\$ 2,052,727	\$ 2,052,727	\$ -
Resources (Inflows):				
Intergovernmental	65,000	65,000	-	(65,000)
Charges for services	65,000	65,000	-	(65,000)
Use of money and property	-	-	44,932	44,932
Amounts Available for Appropriations	2,182,727	2,182,727	2,097,659	(85,068)
Charges to Appropriations (Outflow):				
Community development	35,710	35,710	38,324	(2,614)
Public works	90	90	-	90
Capital outlay	70	70	-	70
Total Charges to Appropriations	35,870	35,870	38,324	(2,454)
Budgetary Fund Balance, June 30	\$ 2,146,857	\$ 2,146,857	\$ 2,059,335	\$ (87,522)

CITY OF GRAND TERRACE HOUSING SUCCESSOR
Computation of Housing Successor
Excess/Surplus (HSC 34176.1)

	Low and Moderate Housing Funds All Project Area July 1, 2023	Low and Moderate Housing Funds All Project Area July 1, 2024
Opening Fund Balance	\$ 2,052,727	\$ 2,059,335
Less Unavailable Amounts:		
Land held for resale	\$ -	\$ -
Advances to City	(168,205)	(168,205)
Loans receivable	(452,000)	(514,000)
	<u>(620,205)</u>	<u>(682,205)</u>
Available Housing Successor Funds	1,432,522	1,377,130
Limitation (greater of \$1,000,000 or four years deposits)		
Aggregate amount deposited for last four years:		
2023 - 2024	44,932	44,932
2022 - 2023	28,864	28,864
2021 - 2022	21,160	21,160
2020 - 2021	2,150	2,150
2019 - 2020	14,206	14,206
	<u>66,380</u>	<u>66,380</u>
Total	<u>\$ 66,380</u>	<u>\$ 66,380</u>
Base Limitation	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Greater amount	<u>1,000,000</u>	<u>1,000,000</u>
Computed Excess/Surplus	<u>\$ 432,522</u>	<u>\$ 377,130 *</u>

* Please note: In accordance with HSC34176.1(d) If a housing successor has an excess surplus, the housing successor shall encumber the excess surplus for the purposes described in paragraph (3) of subdivision (a) or transfer the funds pursuant to paragraph (2) of subdivision (c) within three fiscal years. If the housing successor fails to comply with this subdivision, the housing successor, within 90 days of the end of the third fiscal year, shall transfer any excess surplus to the Department of Housing and Community Development for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program. For purposes of this subdivision, "excess surplus" shall mean an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Measure I Fund Annual Financial & Compliance Report for the Year Ended June 30, 2024

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: Receive and file the Auditor's Annual Financial & Compliance Report and related document for the City's Measure I Fund.

2030 VISION STATEMENT:

This staff report supports Goal #1, "Ensuring Our Fiscal Viability" through the continuous monitoring of revenue receipts and expenditure disbursements against approved budget appropriations.

BACKGROUND:

Each year, the City has an independent audit conducted of its financial statements and related internal control procedures. Included in this is the Audit of the City's Measure I Fund. Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. The audit for the Measure I Fund for the fiscal year ending June 30, 2024 has been completed, and the Annual Financial Report was issued by the Measure I Fund Auditor, Crowe LLP.

DISCUSSION:

One of the key aspects of any annual financial audit is the Independent Auditor's Report, which is provided on page 1 of the **Annual Audit Report (Exhibit A)**. The Independent Auditor's Report provides its opinion on whether or not the financial statements fairly present, in all material respects, the respective financial position of the governmental activities, and the major fund, as of the end of the fiscal year, and the respective changes in financial position and cash flows, where applicable, in conformance with *Generally Accepted Accounting Principles* (GAAP). The resulting "opinion letter" is either *unmodified* or *modified*. The "opinion letter" received by the City for its Measure I Fund financial statements for the period ended June 30, 2024 is *unmodified*, indicating that the financial statements fairly represent the City's financial position in accordance with GAAP.

In addition to the Annual Financial Report, the independent auditor issued the related document, which is included in the Report and is summarized below:

Internal Control & Compliance Report

The Internal Control & Compliance Report identifies any material internal control deficiencies that impact the financial statements. The results of the tests performed by the City auditors did not identify any deficiencies in internal control that are required to be reported under *Government Auditing Standards*. In addition, the results of the Auditor's tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

There is no fiscal impact associated with the receipt of the Annual Financial Report and related documents for the Measure I Fund for the year ended June 30, 2024.

**CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND**

FINANCIAL STATEMENTS

June 30, 2024

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
San Bernardino, California

FINANCIAL STATEMENTS
June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of the Measure I Fund of the City of Grand Terrace, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I Fund, a governmental fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

Management is responsible for the accompanying Program Status: Comparison of 5-Year Plan Project Budget to Current Year Expenditures and the Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures (the "additional information"), which is presented for purposes of additional analysis and is not a required part of the financial statements. Our opinion on the financial statements does not cover the additional information, and we do not express an opinion or any form of assurance thereon.

(Continued)

In connection with our audit of the basic financial statements, our responsibility is to read the additional information and consider whether a material inconsistency exists between the additional information and the basic financial statements, or the additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of the City's internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance, as it relates to the Measure I Fund.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Los Angeles, California
November 25, 2024

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
BALANCE SHEET
June 30, 2024

ASSETS

Cash and investments	\$ 446,471
Taxes receivable	<u>57,720</u>
 Total assets	 <u><u>\$ 504,191</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 3,205
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Fund balance

Restricted for transportation	<u>500,986</u>
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Total liabilities and fund balance	<u><u>\$ 504,191</u></u>
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See notes to financial statements.

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
Year ended June 30, 2024

Revenue	
Measure I sales tax	\$ 334,207
Investment income	16,496
Unrealized gain in investments	<u>1,040</u>
Total revenues	<u>351,743</u>
 Expenditures	
Construction, maintenance, and engineering	<u>66,482</u>
Total expenditures	<u>66,482</u>
 Revenues over/(under) expenditures	<u>285,261</u>
 Other financing sources (uses)	
Transfers to other City funds	<u>(232,854)</u>
 Net change in fund balance	52,407
 Fund balance at beginning of year	<u>448,579</u>
 Fund balance at end of year	<u><u>\$ 500,986</u></u>

See notes to financial statements.

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2024

NOTE 1 – GENERAL INFORMATION

Reporting Entity: The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund of the City of Grand Terrace, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Measure I: Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 5 for a detailed description of the Measure.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting: The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance: Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

(Continued)

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments: Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

The Measure I Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Fund's deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Fund's investment in the City Investment Pool is measured based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

Maintenance of Effort: In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority (SBCTA), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort (MOE) base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City's determined MOE base level is \$115,156.

NOTE 3 – TAXES RECEIVABLE

Taxes receivable in the amount of \$57,720 represent the Measure I sales tax receipts received from SBCTA after June 30, 2024.

NOTE 4 – MEASURE I FUND

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the Measure.

(Continued)

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2024

NOTE 4 – MEASURE I FUND (Continued)

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed “programs” in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas. In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

NOTE 5 – TRANSFERS TO OTHER CITY FUNDS

During the year ended June 30, 2024, \$232,854 was transferred to the City which represents activity related to the Measure I general street maintenance activities and the pavement management program in accordance with the City’s Measure I Five Year Capital Improvement Plan.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRAND TERRACE, CALIFORNIA
 MEASURE I FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE –
 BUDGET AND ACTUAL
 Year ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance From Final Budget Positive (Negative)
Revenues				
Measure I sales tax	\$ 300,000	\$ 300,000	\$ 334,207	\$ 34,207
Investment income	-	-	16,496	16,496
Unrealized gain in investments	<u>400</u>	<u>400</u>	<u>1,040</u>	<u>640</u>
Total revenues	<u>300,400</u>	<u>300,400</u>	<u>351,743</u>	<u>51,343</u>
Expenditures				
Construction, maintenance, and engineering	<u>67,146</u>	<u>67,146</u>	<u>66,482</u>	<u>664</u>
Total expenditures	<u>67,146</u>	<u>67,146</u>	<u>66,482</u>	<u>664</u>
Excess (deficiency) of revenues over expenditures	233,254	233,254	285,261	52,007
Other financing sources (uses)				
Transfers to other City funds	<u>(199,854)</u>	<u>(199,854)</u>	<u>(232,854)</u>	<u>(33,000)</u>
Net change in fund balance	33,400	33,400	52,407	19,007
Fund balance at beginning of year	<u>448,579</u>	<u>448,579</u>	<u>448,579</u>	<u>-</u>
Fund balance at end of year	<u>\$ 481,979</u>	<u>\$ 481,979</u>	<u>\$ 500,986</u>	<u>\$ 19,007</u>

See Note to Required Supplementary Information.

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2024

NOTE 1 – BUDGETARY DATA

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

ADDITIONAL INFORMATION

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUND
PROGRAM STATUS: COMPARISON OF 5-YEAR PLAN PROJECT BUDGET
TO CURRENT YEAR EXPENDITURES
Year ended June 30, 2024

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 2022-23. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

	5-Year Plan Project <u>Estimate</u>	Current Fiscal Year <u>Expenditures</u>	Under/(Over) <u>Estimate</u>
Local projects			
Tree trimming program	\$ 241,445	\$ 66,482	\$ 174,963
Pavement management program	1,358,743	<u>232,854</u>	1,125,889
Total Measure I fund expenditures		<u>\$ 299,336</u>	

CITY OF GRAND TERRACE, CALIFORNIA
 MEASURE I FUND
 MAINTENANCE OF EFFORT: COMPARISON OF BASE LEVEL AMOUNT
 TO ANNUAL EXPENDITURES
 Year ended June 30, 2024

The maintenance of effort base level amount was determined based upon fiscal year 2008/09 spending levels. Excess/(deficient) amounts are carried forward in accordance with the Measure I Strategic Plan. Actual amounts expended in relation to the base level amount in each year subsequent to the base year are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>General Fund Street and Highway Funds Utilized</u>	<u>Base Level Amount</u>	<u>Excess/ (Deficiency)</u>	<u>Cumulative Excess/ (Deficiency)</u>
2010	\$ 40,142	\$ (115,156)	\$ (75,014)	\$ (75,014)
2011	160,298	(115,156)	45,142	(29,872)
2012	72,664	(115,156)	(42,492)	(72,364)
2013	89,957	(115,156)	(25,199)	(97,563)
2014	99,332	(115,156)	(15,824)	(113,387)
2015	91,999	(115,156)	(23,157)	(136,544)
2016	116,749	(115,156)	1,593	(134,951)
2017	148,773	(115,156)	33,617	(101,334)
2018	206,192	(115,156)	91,036	(10,298)
2019	208,718	(115,156)	93,562	83,264
2020	151,991	(115,156)	36,835	120,099
2021	118,280	(115,156)	3,124	123,223
2022	137,766	(115,156)	22,610	145,833
2023	153,444	(115,156)	38,288	184,121

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

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure I Fund of the City of Grand Terrace, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Measure I Fund's basic financial statements and have issued our report thereon dated November 25, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

(Continued)

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Crowe LLP

Los Angeles, California
November 25, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH MEASURE I COMPLIANCE
REQUIREMENTS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on Compliance with the Measure I Ordinance

We have audited City of Grand Terrace's (City), compliance with the types of compliance requirements described in Measure I Ordinance (the "Ordinance"), that could have a direct and material effect on the City's compliance with the Ordinance for the year ended June 30, 2024.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2024.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Ordinance.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Ordinance.

(Continued)

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Los Angeles, California
November 25, 2024

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUNDS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2024

FINANCIAL STATEMENT FINDINGS

2024-001 – Interest Income Allocation (Material Weakness)

Criteria: Per the Valley Local Street Program Measure I 2010-2040 Strategic Plan, if Measure I funds are invested, they must receive their equitable proration of interest earned on the total funds invested. Several methods are available to determine an equitable distribution of interest earned. It is recommended that a distribution based on average month-end cash balances be employed.

Condition/Context: There was no equitable proration of interest earned to the Measure I Fund's cash and investments balance.

Cause: City management was unaware of the requirement to allocate interest across City funds using an equitable distribution.

Effect: Cash and investments and Investment income were both understated by \$16,496 on the balance sheet and statement of revenues, expenditures, and change in fund balance, respectively.

Recommendation: Crowe recommends that the City develop a method to determine an equitable distribution of interest earned going forward and to record this allocation to the Measure I fund.

Views of responsible officials and planned corrective actions: The City concurs with the finding. The City prepared quarterly interest allocations and recorded adjusting entries, which were provided to Crowe.

CITY OF GRAND TERRACE, CALIFORNIA
MEASURE I FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2024

2023-001 – Bank Reconciliations (Significant Weakness)

The City's bank reconciliation for June 2023 was not prepared until September 2023.

Status: The finding has been rectified. Bank reconciliations are now prepared in a timely manner.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Approval of the March-2025 Check Register in the Amount of \$559,751.44

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: Approve the Check Register No. 03312025 in the amount of \$559,751.44 as submitted, for the month ending March 31, 2025.

2030 VISION STATEMENT:

This staff report supports Goal #1, "Ensuring Our Fiscal Viability", through the continuous monitoring of expenditure budgets, allocations, and operational costs.

BACKGROUND:

The check register for the month of March-2025 has been prepared in accordance with Government Code §37202 and is hereby submitted for City Council's approval.

The check register lists all vendor payments for the respective month, along with a brief description of the type of goods or services purchased and the account code(s) associated with each payment. The check registers list all payments made to vendors and employee reimbursements during the month of March-2025.

The attached index to the Check Register is a guideline account list only and is not intended to replace the comprehensive chart of accounts used by the City and Grand Terrace Successor Agency. Expenditure account number formats are XX-XXX-XXX [Fund-Department-Account]. Expenditures may be made from trust/agency accounts (Fund 23-XXX-) or temporary clearing accounts that do not have a budgetary impact.

DISCUSSION:

CHECK REGISTER

A total of \$559,751.44 in accounts payable checks and/or wires were issued during the period for services, reimbursements, supplies, and contracts and are detailed in the individual monthly register.

Below is a table that lists payments larger than \$10,000 for the month of March-2025.

Payments larger than \$10,000:

Check No.	Payee	Description	Amount
82268	ALESHIRE AND WYNDER LLP	JAN 2025 LEGAL SERVICES	\$25,786.68

82275	EZ SUNNYDAY LANDSCAPING	FEB 2025 LANDSCAPING SERVICES - PARKS, CIVIC CENTER, CANAL STRIP, ORIOLE SLOPE, JADEN COURT; FEB 2025 JADEN COURT IRRIGATION MAINTENANCE; FEB 2025 WEED ABATEMENT BETWEEN ORANGEWOOD AND VAN BUREN; ANNUAL RESEEDING OF DOG PARK	\$10,145.00
82282	GRAYBAR ELECTRIC COMPANY	SAFETY BOLLARDS FOR RICHARD ROLLINS PARK	\$17,638.74
82295	MOORE IACOFANO GOLTSMAN INC	NOV 2024 PROFESSIONAL SERVICES FOR MAIN STREET RECYCLING AND DUTCH BROS; JAN 2025 PROFESSIONAL SERVICES FOR DUTCH BROS	\$11,675.00
82302	SBCTA	FY2024-25 GENERAL ASSESSMENT MEMBERSHIP DUES	\$16,199.00
82330	DEERSKIN MANUFACTURING	INSTALLATION OF SAFETY EQUIPMENT ON ANIMAL CONTROL VEHICLE	\$20,613.00
82349	ON SITE COMPUTING	FSX SERVER MIGRATION; AWS - LASERFICHE MIGRATION	\$10,666.31
82359	SB COUNTY SHERIFF	MAR 2025 LAW ENFORCEMENT SERVICES	\$211,676.00
82367	WEST COAST ARBORISTS	FEB 2025 CITYWIDE TREE INVENTORY AND ARBORIST SERVICES	\$17,028.00
17795975	PUBLIC EMPLOYEES RETIREMENT	RETIREMENT CONTRIBUTIONS FOR PAY DATE 03/06/2025	\$11,853.22
17835226	CA PUB EMPLOYEES RETIRE SYSTEM	MAR 2025 PERS HEALTH INSURANCE	\$28,571.10
24400919	SO CA EDISON COMPANY	FEB 2025 ENERGY USAGE	\$16,888.30
413061925	US BANK	FEB-MAR 2025 CAL CARD CHARGES	\$17,961.19
	TOTAL PAYMENTS LARGER THAN \$10,000		\$416,701.54

PAYROLL

Payroll costs for the month:

Pay Per.	-	Period Start	-	Period End	Pay Date	Amount
Mar-25						
18	From	2/15/2025	to	2/28/2025	3/6/2025	\$79,221.92
19	From	3/1/2025	to	3/14/2025	3/20/2025	\$84,157.15
						\$163,379.07

ENVIRONMENTAL IMPACT:

FISCAL IMPACT:

All disbursements (including payroll) were made in accordance with the approved budget for Fiscal Year 2024-25 in the amount of:

Description	Amount
Mar-25	
Check Register	\$559,751.44
Payroll	\$163,379.07
	\$723,130.51

CITY OF GRAND TERRACE

FY2024-25

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

CHECK REGISTER Account Index



Bill Hussey, Mayor
Michelle Sabino, Mayor Pro Tem
Doug Wilson, Council Member
Jeff Allen, Council Member
Matt Brown, Council Member

The Grand Terrace City Council meets on the Second Tuesday of each month at 6:00 pm.

City of Grand Terrace Check Register Index

<u>Fund No.</u>	<u>Fund Name</u>	<u>Dept No.</u>	<u>Department Cost Center</u>	<u>Acct No.</u>	<u>General Account Numbers</u>
09	CHILD CARE FUND	110	CITY COUNCIL	110	SALARIES/WAGES
10	GENERAL FUND	120	CITY MANAGER	115	OVERTIME
11	STREET FUND	125	CITY CLERK	120	COUNCIL STIPENDS
12	STORM DRAIN FUND	140	FINANCE	138	MEDICARE / SUI
13	PARK FUND	160	CITY ATTORNEY	139	EMPLOYEES' BENEFIT PLAN
14	AB 3229 COPS FUND	172	BUILDING & SAFETY	140	RETIREMENT
15	AIR QUALITY IMPROVEMENT FUND	175	PUBLIC WORKS	142	HEALTH/LIFE INSURANCE
16	GAS TAX FUND	180	COMMUNITY EVENTS	143	WORKERS' COMPENSATION
17	TRAFFIC SAFETY FUND	185	RENTAL INSPECTION PROGRAM	210	OFFICE EXPENSE
18	TRANS. DEV. ACT (T D A FUND)	187	ENFORCEMENT PROGRAM	211	POSTAGE & MAILING
19	FACILITIES DEVELOPMENT FUND	190	NON-DEPARTMENTAL	220	SPECIAL DEPARTMENTAL EXP
20	MEASURE I FUND	195	FACILITIES MAINTENANCE	230	ADVERTISING
21	WASTE WATER DISPOSAL FUND	370	PLANNING & DEVELOPMENT SVCS	235	COMMUNICATIONS
22	COMMUNITY DEV. BLOCK GRANT	380	MGT INFORMATION SYSTEMS	238	UTILITIES
25	SPRING MOUNTAIN RANCH FUND	410	LAW ENFORCEMENT	240	RENTS & LEASES
26	LSCPG/ LGHTG ASSESSMENT DIST.	411	ASSET FORFEITURES	244	CUSTODIAL SERVICES
32	S/A CAPITAL PROJECTS FUND	430	RECREATION SERVICES	245	MAINT BLDG GRNDS EQUIPMNT
36	S/A 2011 TABS BOND PROCEEDS	441	CHILD CARE - NUTRITION GRANT	246	MAINT/OPER OF EQUIPMNT
45	CIP - COMMERCE WAY	445	CHILD CARE - TINY TOTS	250	PROFESSIONAL SERVICES
46	CIP - STREET IMPROVEMENTS	446	CHILD CARE - AFTER SCHOOL	251	BANKING SERVICE CHARGES
47	CIP - BARTON RD. BRIDGE PROJECT	447	CHILD CARE - PRE-SCHOOL	252	ROAD MAINTENANCE
48	CIP - CAPITAL PROJECTS FUND	450	PARKS MAINTENANCE	254	STREET SWEEPING
49	CIP - PARKS	461	COMMUNITY GRANTS	255	CONTRACTUAL SERVICES
50	CAPITAL PROJECT BOND PROCEEDS	500	AIR QUALITY PROGRAMS	256	ANIMAL SHELTERING SVCS
52	HOUSING AUTHORITY	510	STREET & SIGNAL LIGHTING	260	INSURANCE & SURETY BONDS
61	COMMUNITY BENEFITS FUND	573	LINE MAINTENANCE	265	MEMBERSHIPS & DUES
62	LIGHT UP GRAND TERRACE FUND	600	ZONE 1 13364 CANAL -TERR PINES	268	TRAINING
63	ILLEGAL FIREWORKS FUND	601	ZONE 3 TRACT 14471 PICO & ORIOLE	270	TRAVEL/CONFERENCES/MTGS
64	PUBLIC SAFETY FUND	602	ZONE 2 14264 FORREST CITY PHASE II	271	MILEAGE
65	SENIOR BUS PROGRAM FUND	603	ZONE 4 TRACT 17766 GREENBRIAR	625	NPDES
66	CAL RECYCLE GRANT	604	ZONE 5 TRACT 18793 PALOMINO	631	STORM DRAIN MAINTENANCE
67	PUBLIC EDUC & GOVT ACCESS (PEG)	605	ZONE 6 TRACT 18071 JADEN	801	PLANNING COMMISSION
68	40TH YR CELEBRATION FUND	606	ZONE 7 TRACT 18604 TESORO/VAN BUREN	804	HISTORICAL & CULTURAL COMM.
69	COMMUNITY DAY FUND	625	NPDES	311	FACILITY IMPROVEMENTS
70	FIXED ASSED/EQUIP REPL FUND	631	STORM DRAIN MAINTENANCE	570	WASTEWATER TREATMENT
73	ACTIVE TRANS PRGM (ATP) GRANT	700	CAPITAL OUTLAY	400	OTHER COMMUNITY GRANTS
74	HIGHWAY SFTY IMPV PRGM (HSIP)	705	EVERY 15 MINUTES	601	ELECTRICAL VEHICLE STATIONS
75	EMER MGMT PREP GRANT (EMPG)	801	PLANNING COMMISSION	700	COMPUTER EQUIPMENT
76	ENHANCED INFRA FIN DIST (EIFD)	804	HISTORICAL & CULTURAL COMMITTEE	701	CAPITAL IMPROVEMENT OTHER
77	SO CAL INCENTIVE PROJECT (SCIP)	805	SENIOR CITIZENS PROGRAM	705	VEHICLES
90	COVID-19 EMERGENCY FUND	808	EMERGENCY OPERATIONS PROG.	998	OVERHEAD COST ALLOCATION
95	DOG PARK ENDOWMENT FUND	999	TRANSFERS	999	TRANSFERS OUT

CITY OF GRAND TERRACE

FY2024-25

GRAND TERRACE CIVIC CENTER
22795 BARTON ROAD GRAND TERRACE, CA 92313

MONTHLY CHECK REGISTER For the Period Ending March 31, 2025



Bill Hussey, Mayor
Michelle Sabino, Mayor Pro Tem
Doug Wilson, Council Member
Jeff Allen, Council Member
Matt Brown, Council Member

The Grand Terrace City Council meets on the Second Tuesday of each month at 6:00 pm.

Check Register
CITY OF GRAND TERRACE
As of 3/31/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
82266	03/06/2025	3D CHEMICAL	INV-14048	PRESSURE WASHER FOR MAINTENANCE E 10-175-218-000-000	02/03/2025	2,683.46 2,683.46	2,683.46
82267	03/06/2025	8X8 INC	4877861	MAR 2025 SERVICE CHARGE FOR (46) POLYCOM VVX 450 PHONES E 10-190-235-000-000	03/01/2025	1,333.45 1,333.45	1,333.45
82268	03/06/2025	ALESHIRE AND WYNDER LLP	92897	JAN 2025 LEGAL SERVICES - GENERAL E 10-160-250-000-000	02/25/2025	10,400.00 10,400.00	25,786.68
			92899	JAN 2025 LEGAL SERVICES - LITIGATION E 10-160-250-100-000	02/25/2025	8,093.00 8,093.00	
			93582	JAN 2025 LEGAL SERVICES - GENERAL AFTER 42 HRS E 10-160-250-000-000	02/25/2025	3,851.00 3,851.00	
			92902	JAN 2025 LEGAL SERVICES FOR ADVOCATES FOR THE ENVIRONMENT B 23-515-90-00	02/25/2025	1,877.80 1,877.80	
			92900	JAN 2025 LEGAL SERVICES - CODE ENFORCEMENT E 10-160-250-100-000	02/25/2025	1,564.88 1,564.88	
82269	03/06/2025	JOSEPH ALLEN	02262025	REFUND YARD SALE SIGN DEPOSIT FOR (3) YARD SALE SIGNS B 23-515-22-00	02/26/2025	30.00 30.00	30.00

Check Register
CITY OF GRAND TERRACE
As of 3/31/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
82270	03/06/2025	ALLIANT INSURANCE SERVICES INC	2992430	INSURANCE FOR 2025 BLUE MOUNTAIN HIKE E 10-120-220-200-000	02/20/2025	527.00 527.00	527.00
82271	03/06/2025	BENSON PRODUCTIONS	1619	JAN 2025 VIDEOGRAPHER SERVICES FOR CITY COUNCIL & PLANNING COMMISSION E 67-380-250-000-000	02/11/2025	940.00 940.00	940.00
82272	03/06/2025	CA DEPT OF TRANSPORTATION	SL250348	JUL-SEP 2024 SIGNALS AND LIGHTING BILLING E 16-510-255-000-000	02/24/2025	834.31 834.31	834.31
82273	03/06/2025	DATA TICKET INC	175501	GRAND TERRACE - CODE ENFORCEMENT PROCESSING FOR JAN 2025 E 10-185-255-000-000	02/19/2025	200.00 200.00	262.50
			175303	GRAND TERRACE- STREET SWEEPING FOR JAN 2025 E 10-140-255-000-000	02/19/2025	62.50 62.50	
82274	03/06/2025	EYEMED FIDELITY SECURITY LIFE	166707421	MAR 2025 EMPLOYEE PAID VISION INSURANCE B 10-022-71-00	02/21/2025	157.26 157.26	157.26

Check Register
CITY OF GRAND TERRACE
As of 3/31/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
82275	03/06/2025	EZ SUNNYDAY LANDSCAPE	8528	FEB 2025 LANDSCAPING SERVICES - PARKS, CIVIC CENTER, CANAL STRIP, ORIOLE E 10-175-244-000-000 E 10-195-245-000-000 E 10-450-245-000-000 E 26-600-255-000-000 E 26-601-255-000-000	02/18/2025	80.00 200.00 3,585.00 150.00 80.00 <u>4,095.00</u>	
			8529	FEB 2025 WEED ABATEMENT ON DITCH BETWEEN ORANGEWOOD AND VAN BUREN E 10-187-257-000-000	02/18/2025	3,450.00 <u>3,450.00</u>	
			8660	ANNUAL RESEEDING FOR DOG PARK E 10-450-245-000-000	03/03/2025	1,700.00 <u>1,700.00</u>	
			8527	FEB 2025 LANDSCAPING SERVICES - TRACT 18070 JADEN E 26-605-255-000-000	02/18/2025	750.00 <u>750.00</u>	
			8659	MAR 2025 JADEN CT IRRIGATION MAINTENANCE E 26-605-255-000-000	03/03/2025	150.00 <u>150.00</u>	10,145.00
82276	03/06/2025	FAMILY SERVICE ASSOCIATION	01-2025-300405	JAN 2025 CDBG SR CENTER COORDINATOR E 22-425-312-000-000	02/01/2025	2,812.63 <u>2,812.63</u>	2,812.63
82277	03/06/2025	ELYSIA FERNANDEZ	2222	PHOTOGRAPHING SERVICES AT CITY HALL AND BLUE MOUNTAIN E 10-190-220-000-000	02/01/2025	200.00 <u>200.00</u>	200.00

Check Register
CITY OF GRAND TERRACE
As of 3/31/2025

Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
82278	03/06/2025	KATHLEEN FISCHER	02262025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS B 23-515-22-00	02/26/2025	50.00 <u>50.00</u>	50.00
82279	03/06/2025	DIANA FONSECA	03032025	REFUND YARD SALE SIGN DEPOSIT FOR (4) YARD SALE SIGNS B 23-515-22-00	03/03/2025	40.00 <u>40.00</u>	40.00
82280	03/06/2025	FRUIT GROWERS SUPPLY	92515143	FLAGS FOR IRRIGATION MARKERS AT PARKS E 10-175-220-000-000	02/18/2025	51.73 <u>51.73</u>	51.73
82281	03/06/2025	GRAINGER	9413998346	SAFETY GLASSES AND URINAL CAKE E 10-175-218-000-000 E 10-195-245-000-000	02/20/2025	11.77 80.41 <u>92.18</u>	92.18
82282	03/06/2025	GRAYBAR ELECTRIC COMPANY	9341096667	SAFETY BOLLARDS FOR RICHARD ROLLINS PARK E 49-445-700-000-000	03/04/2025	17,638.74 <u>17,638.74</u>	17,638.74
82283	03/06/2025	HARBOR ELECTRICAL SERVICES	713	ELECTRICAL REPAIRS AT CITY HALL E 10-195-245-000-000	02/24/2025	250.00 <u>250.00</u>	250.00

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82284	03/06/2025	HDL SOFTWARE LLC	SIN047483	JAN 2025 BUSINESS LICENSE PROCESSING FEES AND RENEWALS E 10-140-250-000-000	01/31/2025	241.20 <u>241.20</u>	241.20
82285	03/06/2025	HERMAN HILKEY	JAN24-DEC25 HH LIFE	2024-2025 LIFE INSURANCE REIMBURSEMENT E 10-110-142-000-000	02/13/2025	3,488.46 <u>3,488.46</u>	3,488.46
82286	03/06/2025	WILLIAM HUSSEY	MAR 2025 BH HLTH	MAR 2025 BH HLTH REIMBURSEMENT E 10-110-142-000-000	03/03/2025	359.85 <u>359.85</u>	359.85
82287	03/06/2025	INLAND ROAD SERVICE AND TIRE	03888	TIRE REPLACEMENT FOR SKIP LOADER E 10-175-246-000-000	01/31/2025	2,776.61 <u>2,776.61</u>	3,267.15
			03892	TIRE REPLACEMENT ON THE PRESSURE WASHER TRAILER E 10-175-246-000-000	02/03/2025	490.54 <u>490.54</u>	
82288	03/06/2025	KONICA MINOLTA	46581636	FEB-MAR 2025 RENT FOR ADDITIONAL PHOTOCOPIER E 10-190-212-000-000	02/19/2025	142.92 <u>142.92</u>	142.92

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82289	03/06/2025	KONICA MINOLTA BUS. SOLUTIONS	500840073	FEB 2025 CITYWIDE PHOTOCOPIER MAINTENANCE E 10-190-700-000-000	02/28/2025	304.63	
						304.63	
			9010319610	01/15/2025-02/14/2025 CITYWIDE PHOTOCOPIER SERVICES E 10-190-700-000-000	02/14/2025	180.55	
						180.55	
							485.18
82290	03/06/2025	LANCE SOLL AND LUNGHARD LLP	67233	2024 HOUSING SUCCESSOR AUDIT - FINAL BILL E 52-400-250-000-000	02/28/2025	539.00	
						539.00	
							539.00
82291	03/06/2025	LEGACY REGIMENT BOOSTER	02262025	COMMUNITY BENEFIT FUND EXPENSE REIMBURSEMENT - WINTER GUARD E 61-461-100-000-000	02/26/2025	2,000.00	
						2,000.00	
							2,000.00
82292	03/06/2025	MAIN STREET RECYCLING LLC	03042025	REFUND REMAINING BALANCE IN DEVELOPER DEPOSIT ACCOUNT B 23-515-84-00	03/04/2025	3,048.75	
						3,048.75	
							3,048.75
82293	03/06/2025	MICHAEL BAKER INTERNATIONAL	1239109	JAN 2025 CEQA SUPPORT FOR BARTON ROAD SPECIFIC PLAN B 23-515-59-00	02/12/2025	7,668.00	
						7,668.00	
							7,668.00

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82294	03/06/2025	MIDAMERICA ADMIN RETIREMENT	PAYDATE 02202025 ARS	PAYDATE 02202025 ARS RETIREMENT B 10-022-68-00	02/20/2025	328.34 328.34	
			PAYDATE 02062	PAYDATE 02062025 ARS RETIREMENT B 10-022-68-00	02/06/2025	308.62 308.62	636.96
82295	03/06/2025	MOORE IACOFANO GOLTSMAN INC	0089339	NOV 2024 PROFESSIONAL SERVICES FOR MAIN STREET RECYCLING B 23-515-84-00	12/17/2024	9,810.00 9,810.00	
			0090220	JAN 2025 PROFESSIONAL SERVICES FOR DUTCH BROS B 23-515-81-00	02/24/2025	1,445.00 1,445.00	
			0089337	NOV 2024 PROFESSIONAL SERVICES FOR DUTCH BROS B 23-515-81-00	12/17/2024	420.00 420.00	11,675.00
82296	03/06/2025	ODP BUSINESS SOLUTIONS LLC	409074403001	FY2024-25 OFFICE SUPPLIES E 10-190-210-000-000	02/17/2025	332.34 332.34	
			411128194001	FY2024-25 OFFICE SUPPLIES E 10-190-210-000-000	02/10/2025	189.87 189.87	522.21
82297	03/06/2025	ON SITE COMPUTING	54004402	MAR 2025 IT SERVICES E 10-380-250-000-000	02/01/2025	9,931.00 9,931.00	9,931.00

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82298	03/06/2025	PAY PLUS SOLUTIONS INC	34507	MAR 2025 CALPERS INSIGHT E-TOOLS PAY PLUS SUBSCRIPTION E 10-140-255-000-000	03/01/2025	566.80 <u>566.80</u>	566.80
82299	03/06/2025	Q3 CONSULTING	35232	JAN 2025 STORM DRAIN MASTER PLAN DEVELOPMENT E 10-631-255-000-000	02/27/2025	3,805.00 <u>3,805.00</u>	3,805.00
82300	03/06/2025	SONIA ROMO	03032025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS B 23-515-22-00	03/03/2025	50.00 <u>50.00</u>	50.00
82301	03/06/2025	SB COUNTY AUDITOR CONTROLLER	2024-0350PT	AMENDED TAX BILL FOR AGENCY CC14SP0401 - (26) REVISIONS E 10-140-210-000-000	02/13/2025	156.00 <u>156.00</u>	182.00
			2024-0349PT	AMENDED TAX BILL FOR AGENCY CC14SP0401 - (1) REVISION E 10-140-210-000-000	02/13/2025	26.00 <u>26.00</u>	
82302	03/06/2025	SBCTA	GA DUES 25-09	FY2024-25 GENERAL ASSESSMENT MEMBERSHIP DUES E 10-120-265-000-000	02/20/2025	16,199.00 <u>16,199.00</u>	16,199.00
82303	03/06/2025	SCA OF CA LLC	CA1000273	FEB 2025 STREET SWEEPING SERVICES E 16-900-254-000-000	02/28/2025	5,854.50 <u>5,854.50</u>	5,854.50

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82304	03/06/2025	JOHN SINGLEMAN	02112025	REFUND PERMIT FEES FOR GENERATOR INSTALLATION B00-005-581 R 10-410-01 R 10-410-06 R 10-410-09 B 23-200-23-00	02/11/2025	240.00 271.00 38.33 1.00 <u>550.33</u>	550.33
82305	03/06/2025	SITEONE LANDSCAPE SUPPLY	149758913-001	FERTILIZER FOR PARKS, CITY HALL, AND CANAL E 10-175-245-000-000 E 10-195-245-000-000 E 10-450-245-000-000	02/13/2025	125.85 62.93 1,352.89 <u>1,541.67</u>	1,894.92
			150098762-001	IRRIGATION SUPPLIES FOR HOSE SPICKET BEHIND PITCHING MOUND AT PICO PARK E 10-450-245-000-000	02/20/2025	212.61 <u>212.61</u>	
			150202353-001	IRRIGATION SUPPLIES FOR PARKS E 10-450-245-000-000	02/25/2025	140.64 <u>140.64</u>	
82306	03/06/2025	SO CAL LOCKSMITH	66813	KEYS FOR SENIOR CENTER E 10-805-245-000-000	02/26/2025	30.34 <u>30.34</u>	52.26
			66816	KEYS FOR SENIOR CENTER E 10-805-245-000-000	02/28/2025	21.92 <u>21.92</u>	

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82307	03/06/2025	SPARKLETTS	9637116 030125	FEB 2025 BOTTLED WATER SERVICES FOR CITY HALL & SENIOR CENTER E 10-190-238-000-000 E 10-805-238-000-000	03/01/2025	 269.79 270.63 540.42	 540.42
82308	03/06/2025	STERICYCLE INC	8009949109 8009856764	SPECIAL PURGE SERVICE FOR FINANCE AT STORAGE FACILITY E 10-125-250-000-000 JAN 2025 RECORDS DESTRUCTION E 10-125-250-000-000	02/21/2025 02/10/2025	 1,395.00 1,395.00 314.40 314.40	 1,709.40
82309	03/06/2025	SUPERIOR BUILDING MAINTENANCE	10674 10672	MAR 2025 JANITORIAL SERVICES FOR CIVIC CENTER, PARKS, AND SENIOR CENTER E 10-195-245-000-000 E 10-450-245-000-000 E 10-805-245-000-000 SERVICE CALL: LIBRARY RESTROOMS AT CITY HALL E 10-195-245-000-000	02/26/2025 02/26/2025	 1,922.00 2,885.00 784.00 5,591.00 64.00 64.00	 5,655.00
82310	03/06/2025	T MOBILE	FEB25 TMOBILE	JAN-FEB 2025 BACKUP INTERNET SERVICE E 10-380-250-000-000	02/21/2025	 33.15 33.15	 33.15

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82311	03/06/2025	TERMINIX	456562450	FEB 2025 GOPHER CONTROL FOR	02/11/2025		
				GRIFFIN PARK			
			E 10-450-245-000-000		189.00		
					189.00		
			456858530	FEB 2025 PEST CONTROL SERVICES -	02/21/2025		
				CITY HALL			
			E 10-195-245-000-000		128.00		
					128.00		
			456858559	FEB 2025 PEST CONTROL SVCS FOR	02/21/2025		
				SENIOR CENTER			
			E 10-805-245-000-000		124.00		
					124.00		
456562417	FEB 2025 GOPHER CONTROL FOR	02/11/2025					
	DOG PARK						
E 10-450-245-000-000		93.00					
		93.00					
456562475	FEB 2025 GOPHER CONTROL FOR	02/11/2025					
	RICHARD ROLLINS PARK						
E 10-450-245-000-000		93.00					
		93.00					
							627.00
82312	03/06/2025	THE APPRAISAL OFFICE	GT 027620247	APPRAISAL FOR PROPERTY AT PALM	02/25/2025		
				AND BARTON APN 0276-202-47			
			E 10-120-250-000-000		450.00		
					450.00		
			GT 027620261	APPRAISAL FOR PROPERTY AT PALM	02/25/2025		
				AND BARTON APN 0276-202-61			
E 10-120-250-000-000		450.00					
		450.00					
							900.00

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82313	03/06/2025	TIME WARNER CABLE	188753301 022125	RICHARD ROLLINS PARK INTERNET - FEB-MAR 2025 E 10-450-238-000-000	02/21/2025	329.98	
						<u>329.98</u>	
			188753201 022125	CITY HALL INTERNET - CITY HALL - FEB-MAR 2025 E 10-190-238-000-000	02/21/2025	329.98	
						<u>329.98</u>	
			188753001 022125	SR CENTER INTERNET - HSD3 - FEB-MAR 2025 E 10-805-238-000-000	02/21/2025	99.99	
						<u>99.99</u>	
			188753101 022125	CITY HALL CABLE - FEB-MAR 2025 E 10-190-238-000-000	02/21/2025	49.44	
						<u>49.44</u>	
							809.39
82314	03/06/2025	TOP TIER PLUMBING AND ROOTER	2084	SEWER LINE REPAIR AT CITY HALL E 10-195-245-000-000	03/03/2025	323.73	
						<u>323.73</u>	
							323.73
82315	03/06/2025	UNDERGROUND SERVICE ALERT	220250313	MAR 2025 MONTHLY DATABASE MAINTENANCE FEE E 16-900-220-000-000	03/01/2025	71.05	
						<u>71.05</u>	
							71.05
82316	03/06/2025	JESSICA VELIZ	03032025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS B 23-515-22-00	03/03/2025	20.00	
						<u>20.00</u>	
							20.00

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82317	03/06/2025	VERIZON WIRELESS	6106844245	ALPR LINE CHARGES DEC24-FEB25 E 10-190-235-000-000	02/23/2025	380.10 380.10	380.10
82318	03/06/2025	ERIC WALKER	03032025	REFUND YARD SALE SIGN DEPOSIT FOR (3) YARD SALE SIGNS B 23-515-22-00	03/03/2025	30.00 30.00	30.00
82319	03/06/2025	WEST COAST ARBORISTS INC	225846	SPECIFIED GRANT - TREE PRUNING AT RICHARD ROLLINS PARK E 49-445-700-000-000	02/26/2025	1,136.00 1,136.00	1,136.00
82320	03/06/2025	LARONICA WILLIAMS	02262025	REFUND PARK RESERVATION DEPOSIT AT VETERAN'S FREEDOM PARK 02/08/2025 B 23-515-22-00	02/26/2025	50.00 50.00	50.00
82321	03/20/2025	A STORAGE PLACE	04/01/2025 - B3334	APR 2025 RENT FOR UNIT B3334 E 10-140-241-000-000	03/17/2025	422.00 422.00	632.00
			04/01/2025 - B15	APR 2025 RENT FOR UNIT B15 E 10-140-241-000-000	03/17/2025	210.00 210.00	
82322	03/20/2025	AMERITAS LIFE INSURANCE CORP	MAR 2025	MAR 2025 EMPLOYEE PAID DENTAL INSURANCE B 10-022-70-00	03/01/2025	758.00 758.00	758.00

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82323	03/20/2025	AT AND T	MAR 2025 AT&T	MAR 2025 AT&T E 10-190-235-000-000 E 10-450-235-000-000 E 10-805-235-000-000 E 10-808-235-000-000	03/01/2025	2,253.34 423.90 810.57 832.69 4,320.50	4,320.50
82324	03/20/2025	ELIZABETH ATHEY	02282025	STUDENT INTERNSHIP 02/15/2025- 02/28/2025 E 10-120-220-000-000	02/28/2025	66.00 66.00	
			03142025	STUDENT INTERNSHIP 03/01/2025- 03/14/2025 E 10-120-220-000-000	03/14/2025	49.50 49.50	115.50
82325	03/20/2025	BENSON PRODUCTIONS	1620	FEB 2025 VIDEOGRAPHER SERVICES FOR CITY COUNCIL & PLANNING COMMISSION E 67-380-250-000-000	03/10/2025	580.00 580.00	580.00
82326	03/20/2025	CALIFORNIA BUILDING OFFICIALS	18503	ABM FULL PROGRAM REGISTRATION - LUIS GARDEA E 10-172-270-000-000	03/06/2025	760.00 760.00	760.00
82327	03/20/2025	CHARTER COMMUNICATIONS	234703801 030125	CITY HALL ELEVATOR PHONE - MAR 2025 E 10-195-246-000-000	03/01/2025	40.00 40.00	40.00

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82328	03/20/2025	JIM COTA	03182025	REFUND YARD SALE SIGN DEPOSIT FOR (3) YARD SALE SIGNS B 23-515-22-00	03/18/2025	30.00 <u>30.00</u>	30.00
82329	03/20/2025	COUNTY OF RIVERSIDE TLMA ADM	TL0000017632	JAN 2025 TRAFFIC SIGNAL MONITORING AT MAIN ST AND MICHIGAN ST E 10-175-246-000-000	03/10/2025	523.48 <u>523.48</u>	523.48
82330	03/20/2025	DEERSKIN MANUFACTURING	5497	INSTALLATION OF SAFETY EQUIPMENT FOR ANIMAL CONTROL VEHICLE E 10-185-272-000-000	03/12/2025	20,613.00 <u>20,613.00</u>	20,613.00
82331	03/20/2025	DENTAL HEALTH SERVICES	2497761	APR 2025 EMPLOYEE PAID DENTAL INSURANCE B 10-022-70-00	03/16/2025	145.95 <u>145.95</u>	145.95
82332	03/20/2025	DOG WASTE DEPOT	752975	DOG WASTE ROLL BAGS FOR DOG PARK E 10-450-245-000-000	03/10/2025	577.04 <u>577.04</u>	577.04
82333	03/20/2025	EVERON LLC	158204793	JOB# 300502889 TRIP CHARGE E 10-195-247-000-000	03/05/2025	75.00 <u>75.00</u>	75.00

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82334	03/20/2025	BETSY FERNANDEZ	03172025	REFUND DEVELOPER DEPOSIT FEES FOR CANCELLED PROJECT B 23-515-31-00 B 23-515-32-00	03/17/2025	2,800.00 1,610.00 <u>4,410.00</u>	4,410.00
82335	03/20/2025	FIREMASTER	0001306324	FY2024-25 SEMI-ANNUAL GREASE CLEANING SERVICE FOR SENIOR CENTER E 10-805-245-000-000	03/07/2025	975.00 <u>975.00</u>	1,779.03
			0001306325	FY2024-25 SEMI-ANNUAL KITCHEN HOOD SERVICE FOR SENIOR CENTER E 10-805-245-000-000	03/07/2025	804.03 <u>804.03</u>	
82336	03/20/2025	GRAND TERRACE CITY NEWS	16193	JAN 2025 WEEKLY QUARTER-PAGE DISPLAY AD E 10-120-230-000-000	02/06/2025	1,200.00 <u>1,200.00</u>	
			8391	GT 11.21.2024 CITY AD: EQUIPMENT SHARE SA 24-04 E 10-370-230-000-000	11/19/2024	532.80 <u>532.80</u>	
			13044	GT 02.13.2025 CITY AD: NOTICE OF HEARING E 10-370-230-000-000	02/11/2025	532.80 <u>532.80</u>	
			8837	GT 01.23.2025 CITY AD: PUBLIC HEARING NOTICE E 10-125-230-000-000	01/22/2025	150.80 <u>150.80</u>	

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			17037	GT 03.06.2025 CITY AD: CFD NO. 2025-1 E 10-125-230-000-000	02/27/2025	108.00 108.00	
							2,524.40
82337	03/20/2025	VANESSA GUTIERREZ	03172025	REFUND DEVELOPER DEPOSIT FEES FOR CANCELLED PROJECT B 23-515-29-00 B 23-515-30-00	03/17/2025	2,800.00 1,870.00 4,670.00	
							4,670.00
82338	03/20/2025	HDL SOFTWARE LLC	SIN047777	FY2024-25 ANNUAL PERMIT TRACKING SOFTWARE E 10-172-250-000-000	03/04/2025	2,826.59 2,826.59	
							2,826.59
82339	03/20/2025	HIGH DESERT GRAPHICS	53746	NAME BADGE - JESSICA SEGOVIA E 10-125-210-000-000	03/07/2025	29.54 29.54	
							29.54
82340	03/20/2025	HOME DEPOT CREDIT SERVICE	8901934	SMALL TOOLS, DEADBOLT, AND CLEANING SUPPLIES E 10-175-210-000-000 E 10-175-218-000-000 E 10-195-245-000-000	02/12/2025	7.92 243.41 13.56 264.89	
			5271517	SPREADERS AND HOOKS E 10-175-218-000-000 E 10-450-245-000-000	02/05/2025	43.41 202.21 245.62	
			3713580	COMPRESSOR FOR SHOP AND SMALL TOOLS FOR MAINTENANCE E 10-175-218-000-000	02/27/2025	230.40 230.40	

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			40354	CLEANING SUPPLIES AND TOOL BATTERIES	02/20/2025		
				E 10-175-218-000-000		183.78	
				E 10-450-245-000-000		39.59	
						<u>223.37</u>	
			7047840	SUPPLIES FOR CONTAINER SHELVES AND SMALL TOOLS	02/13/2025		
				E 10-175-218-000-000		58.96	
				E 10-195-245-000-000		10.84	
						<u>69.80</u>	
			4273090	PLYWOOD FOR TRAILER AND WOOD FOR CONTAINER SHELVES	02/26/2025		
				E 10-195-245-000-000		66.68	
						<u>66.68</u>	
			3620564	WIRE CONNECTORS AND MAINTENANCE SUPPLIES	01/28/2025		
				E 10-190-220-000-000		47.94	
				E 10-450-245-000-000		4.87	
						<u>52.81</u>	
			9510897	SUPPLIES FOR LIGHT BOLLARDS FOR RICHARD ROLLINS PARK	02/21/2025		
				E 10-450-245-000-000		50.48	
						<u>50.48</u>	
			2025060	SUPPLIES TO INSTALL SHELVES IN THE CONTAINERS AT CITY HALL	01/29/2025		
				E 10-190-220-000-000		33.10	
						<u>33.10</u>	
							1,237.15
82341	03/20/2025	INLAND BUSINESS FORMS	36102	BUSINESS CARDS - GABRIEL ARGUELLES	03/13/2025		
				E 10-370-210-000-000		57.96	
						<u>57.96</u>	
			36100	BUSINESS CARDS - JESSICA SEGOVIA	03/10/2025		
				E 10-125-210-000-000		57.96	
						<u>57.96</u>	
							115.92

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82342	03/20/2025	ERIC JOHNSON	03172025	REFUND YARD SALE SIGN DEPOSIT FOR (1) YARD SALE SIGN B 23-515-22-00	03/17/2025	10.00 <u>10.00</u>	10.00
82343	03/20/2025	KONICA MINOLTA	46628107	MAR-APR 2025 RENT FOR (2) PHOTOCOPIERS E 10-190-212-000-000	03/02/2025	260.32 <u>260.32</u>	260.32
82344	03/20/2025	LINCOLN NATIONAL LIFE INSURANCE	LCLN APR 2025	APR 2025 LIFE/AD&D/DEP LIFE/WI/LTD B 10-022-66-00 E 10-120-142-000-000 E 10-125-142-000-000 E 10-140-142-000-000 E 10-172-142-000-000 E 10-175-142-000-000 E 10-185-142-000-000 E 10-370-142-000-000 E 10-450-142-000-000 E 16-175-142-000-000 E 52-400-142-000-000 E 65-425-142-000-000	04/01/2025	1,086.98 63.00 14.74 49.10 23.86 34.16 8.82 27.48 18.51 12.75 2.16 8.21 <u>1,349.77</u>	1,349.77
82345	03/20/2025	LYNN MERRILL AND ASSOCIATES	25-8	FEB 2025 NPDES SUPPORT SERVICES E 10-625-255-000-000	03/17/2025	620.94 <u>620.94</u>	620.94
82346	03/20/2025	CLAUDIA MARIN	03182025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS B 23-515-22-00	03/18/2025	50.00 <u>50.00</u>	50.00

Check Register
CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
82347	03/20/2025	MICHAEL BAKER INTERNATIONAL	1242323	FEB 2025 PROFESSIONAL SERVICES FOR BARTON ROAD SPECIFIC PLAN B 23-515-59-00	03/17/2025	2,561.50 <u>2,561.50</u>	2,561.50
82348	03/20/2025	ODP BUSINESS SOLUTIONS LLC	410070080001	FY2024-25 OFFICE SUPPLIES E 10-190-210-000-000	02/28/2025	83.96 <u>83.96</u>	83.96
82349	03/20/2025	ON SITE COMPUTING	54004455	FSX SERVER MIGRATION E 70-190-700-001-000	03/05/2025	5,711.48 <u>5,711.48</u>	10,666.31
			54004454	AWS - LASERFICHE MIGRATION E 10-125-250-000-000	03/05/2025	4,954.83 <u>4,954.83</u>	
82350	03/20/2025	DANIEL ORTEGA	03182025	REFUND RESERVATION DEPOSIT FOR RICHARD ROLLINS PARK 03/08/2025 B 23-515-22-00	03/18/2025	50.00 <u>50.00</u>	
82351	03/20/2025	PACIFIC PRODUCTS AND SERVICES	35635	SIGN REPLACEMENTS AT VARIOUS LOCATIONS THROUGHOUT THE CITY E 10-175-244-000-000	03/10/2025	731.30 <u>731.30</u>	731.30
82352	03/20/2025	RAY PARRA	03182025	REFUND YARD SALE SIGN DEPOSIT FOR (5) YARD SALE SIGNS B 23-515-22-00	03/18/2025	50.00 <u>50.00</u>	50.00

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82353	03/20/2025	QUINN RENTAL SERVICES	WOA00062137	FUEL INJECTION PUMP REPLACEMENT FOR BACKHOE E 10-175-246-000-000	02/28/2025	5,305.16 <u>5,305.16</u>	5,305.16
82354	03/20/2025	SHARON ROBERTSON	03182025	REFUND RESERVATION DEPOSIT FOR SENIOR CENTER 03/08/2025 B 23-515-22-00	03/18/2025	200.00 <u>200.00</u>	200.00
82355	03/20/2025	SAN BERNARDINO COUNTY FIRE DEP	GT425CC	APR-JUN 2025 HOUSEHOLD HAZARDOUS WASTE SERVICES E 10-187-258-000-000	03/11/2025	5,273.74 <u>5,273.74</u>	5,273.74
82356	03/20/2025	OZEM SANLI	03182025	REFUND YARD SALE SIGN DEPOSIT FOR (2) YARD SALE SIGNS B 23-515-22-00	03/18/2025	20.00 <u>20.00</u>	20.00
82357	03/20/2025	SB COUNTY ASSESSOR	109360	MAR 2025 MONTHLY ASSESSOR PARCEL MAP E 10-370-210-000-000	03/06/2025	2.00 <u>2.00</u>	2.00
82358	03/20/2025	SB COUNTY AUDITOR CONTROLLER	2024-0383PT	AMENDED TAX BILL FOR AGENCY CC14SP0401 - (17) REVISIONS E 10-140-210-000-000	03/10/2025	442.00 <u>442.00</u>	442.00

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82359	03/20/2025	SB COUNTY SHERIFF	26167	MAR 2025 LAW ENFORCEMENT SERVICES	03/01/2025		
				E 10-410-255-000-000		3,083.00	
				E 10-410-256-000-000		193,177.00	
				E 14-411-256-000-000		15,416.00	
						<u>211,676.00</u>	
							211,676.00
82360	03/20/2025	SPARKLETTS	16179154 030825	03/08/2025 WATER FILTRATION SYSTEM RENTAL	03/08/2025		
				E 10-190-238-000-000		49.00	
						<u>49.00</u>	
							49.00
82361	03/20/2025	ST FRANCIS ELECTRIC	22147768	FEB 2025 RESPONSE TRAFFIC SIGNAL MAINTENANCE	02/28/2025		
				E 16-510-255-000-000		662.00	
						<u>662.00</u>	
			22147767	FEB 2025 ROUTINE TRAFFIC SIGNAL MAINTENANCE	02/28/2025		
				E 16-510-255-000-000		557.55	
						<u>557.55</u>	
							1,219.55
82362	03/20/2025	STERICYCLE INC	8010160016	FEB 2025 RECORDS DESTRUCTION	03/10/2025		
				E 10-125-250-000-000		315.60	
						<u>315.60</u>	
							315.60
82363	03/20/2025	SUPERC AI INC	1039	CENTRALIZED COMMUNITY CALENDAR PLATFORM INTEGRATION	03/10/2025		
				E 10-120-250-000-000		9,740.00	
						<u>9,740.00</u>	
							9,740.00

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82364	03/20/2025	TEAMSTERS LOCAL 1932	044	APR 2025 EMPLOYEE PAID MEMBERSHIP DUES B 10-022-72-00	03/14/2025	595.56 595.56	595.56
82365	03/20/2025	TERMINIX	457126483	FEB 2025 GOPHER CONTROL FOR PICO PARK E 10-450-245-000-000	02/11/2025	158.00 158.00	158.00
82366	03/20/2025	TOP TIER PLUMBING AND ROOTER	2093	SEWER LINE MAINTENANCE AT CITY HALL E 10-195-245-000-000	03/07/2025	5,349.84 5,349.84	5,349.84
82367	03/20/2025	WEST COAST ARBORISTS INC	226243	FEB 2025 CITYWIDE TREE INVENTORY AND ARBORIST SERVICES E 20-100-245-000-000	02/28/2025	17,028.00 17,028.00	17,028.00
82368	03/20/2025	WILLDAN	002-34272	FEB 2025 PLAN CHECK/ INSPECTION SVCS FOR BUILDING & SAFETY E 10-172-250-100-000	03/05/2025	3,726.25 3,726.25	6,337.64
			00421459	JAN 2025 CIP 2024-25 INSPECTION SERVICES E 46-900-321-000-000	02/28/2025	1,963.00 1,963.00	
			00421451	JAN 2025 PLAN CHECKING SERVICES FOR JAY GEES B 23-520-05-00	02/28/2025	648.39 648.39	

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710509	03/12/2025	SO CA GAS COMPANY	FEB 2025 GAS SERVICE	FEB 2025 GAS SERVICE E 10-190-238-000-000 E 10-805-238-000-000	03/10/2025	577.86 218.35 <u>796.21</u>	796.21
3102025	03/10/2025	WEX BANK	103388125	FEB-MAR 2025 VEHICLE FUEL CHEVRON E 10-172-272-000-000 E 10-175-272-000-000 E 10-185-272-000-000	03/06/2025	122.00 1,560.03 150.97 <u>1,833.00</u>	1,833.00
17795975	03/18/2025	PUBLIC EMPLOYEES RETIREMENT	PAYDTE 03062025 PERS	RETIREMENT CONTRIBUTIONS FOR PAY DATE 03/06/2025 B 10-022-62-00	03/06/2025	11,853.22 <u>11,853.22</u>	11,853.22
17835226	03/03/2025	CA PUB EMPLOYEES RETIRE SYSTEM	03012025 HPERS	MAR 2025 PERS HEALTH INSURANCE ACH 1002853861 B 10-022-61-00 E 10-120-142-000-000 E 10-125-142-000-000 E 10-140-142-000-000 E 10-172-142-000-000 E 10-175-142-000-000 E 10-185-142-000-000 E 10-190-142-000-000 E 10-370-142-000-000 E 10-450-142-000-000 E 16-175-142-000-000 E 65-425-142-000-000	03/01/2025	3,278.13 3,180.58 830.81 2,590.74 1,858.24 4,088.14 1,759.93 5,978.09 830.81 2,229.87 1,114.95 830.81 <u>28,571.10</u>	28,571.10

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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
17866382	03/18/2025	CALPERS 457 PLAN	PAYDATE 03062025 457	EFT PAYMENT CALPERS ACH CONFIRM #1002866653 B 10-022-63-00 B 10-022-64-00	03/06/2025	2,495.00 497.66 <u>2,992.66</u>	2,992.66
24400919	03/04/2025	SO CA EDISON COMPANY	FEB 2025 EDISON	FEB 2025 EDISON E 10-175-238-000-000 E 10-190-238-000-000 E 10-450-238-000-000 E 16-510-238-000-000 E 26-600-238-000-000 E 26-601-238-000-000 E 26-602-238-000-000 E 26-603-238-000-000 E 26-604-238-000-000 E 26-605-238-000-000 E 65-425-700-000-000	03/01/2025	8.32 4,865.80 3,670.97 7,782.48 77.44 62.92 87.12 14.52 68.56 55.17 195.00 <u>16,888.30</u>	16,888.30

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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
413061925	03/07/2025	US BANK	FEB2025 CAL CARD	FEB-MAR 2025 CAL CARD CHARGES	03/06/2025		
				E 10-110-270-000-000 CONFERENCE		2,457.04	
				E 10-120-210-000-000 OFFICE SUPPLIES		25.00	
				E 10-120-220-200-000 CITY EVENTS		1,536.04	
				E 10-120-270-000-000 CONFERENCE		33.48	
				E 10-125-210-000-000 OFFICE SUPPLIES		68.94	
				E 10-125-270-000-000 CONFERENCE		681.97	
				E 10-140-210-000-000 OFFICE SUPPLIES		69.98	
				E 10-172-210-000-000 OFFICE SUPPLIES		752.51	
				E 10-172-218-000-000 UNIFORMS		13.46	
				E 10-172-270-000-000 CONFERENCE		644.45	
				E 10-172-272-000-000 VEHICLE MAINT		1,782.33	
				E 10-175-210-000-000 OFFICE SUPPLIES		39.81	
				E 10-175-218-000-000 SMALL TOOLS		136.29	
				E 10-175-244-000-000 PARKWAY MAINT		2,122.02	
				E 10-175-268-000-000 TRAINING		150.00	
				E 10-175-270-000-000 CONFERENCE		793.69	
				E 10-175-272-000-000 VEHICLE MAINT		103.24	
				E 10-185-210-000-000 OFFICE SUPPLIES		6.42	
				E 10-185-218-000-000 UNIFORMS		631.74	
				E 10-185-268-000-000 TRAINING		598.00	
				E 10-190-210-000-000 OFFICE SUPPLIES		20.29	
				E 10-190-220-000-000 MTRLS & SUPPLIES		365.83	
				E 10-190-265-000-000 MEMBERSHIP/DUES		149.90	
				E 10-190-272-000-000 VEHICLE MAINT		10.51	
				E 10-195-245-000-000 MTRLS & SUPPLIES		1,110.04	
				E 10-370-210-000-000 OFFICE SUPPLIES		96.73	
				E 10-370-220-000-000 MTRLS & SUPPLIES		2,535.64	
				E 10-370-270-000-000 CONFERENCE		619.92	
				E 10-450-245-000-000 MTRLS & SUPPLIES		612.24	
				E 10-805-219-000-000 EQUIPMENT		68.97	
				E 10-805-238-000-000 UTILITIES		47.95	
				E 10-808-225-000-000 POWER OUTAGE		-323.24	
						17,961.19	

17,961.19

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CITY OF GRAND TERRACE
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Check #	Date	Vendor	Invoice #	Invoice Description	Inv. Date	Amount Paid	Check Total
835266278	03/04/2025	VERIZON WIRELESS	6104889221	JAN-FEB 2025 MONTHLY PHONE CHARGES	02/01/2025		
				E 10-120-235-000-000		208.62	
				E 10-125-235-000-000		69.54	
				E 10-140-235-000-000		328.42	
				E 10-172-235-000-000		198.98	
				E 10-175-235-000-000		952.34	
				E 10-185-235-000-000		246.42	
				E 10-190-235-000-000		392.96	
				E 10-370-235-000-000		198.98	
				E 65-425-235-000-000		69.54	
						<u>2,665.80</u>	
							<u>2,665.80</u>
						Total Checks:	559,751.44

IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THE AFORE LISTED CHECKS FOR PAYMENT OF CITY LIABILITIES HAVE BEEN AUDITED BY ME AND ARE ACCURATE, NECESSARY AND APPROPRIATE EXPENDITURES FOR THE OPERATION OF THE CITY. I FURTHER CERTIFY, TO THE BEST OF MY KNOWLEDGE, THAT THE CITY HAS AVAILABLE FUNDS FOR PAYMENT THEREOF.

Christine Clayton

Christine Clayton, Finance Director
City of Grand Terrace



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AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Thirty-Second Amendment to Law Enforcement Services Contract No. 94-797 with the County of San Bernardino to Provide Law Enforcement Services for Fiscal Year 2025-2026 to the City of Grand Terrace

PRESENTED BY: Konrad Bolowich, City Manager

RECOMMENDATION: Approve the Thirty-First Amendment to Law Enforcement Services Contract No. 94-797 with the County of San Bernardino to provide Law Enforcement Services from the Sheriffs' Department for Fiscal Year 2025-26; and Authorize the City Manager to execute the contract.

2030 VISION STATEMENT:

- Goal #1, "Ensuring Our Fiscal Viability," through the continuous monitoring of expenditure budgets, allocations, and operational costs; and
- Goal #2, "Maintaining Public Safety," by ensuring adequate staff levels for police services for our Community.

BACKGROUND:

Since incorporation, the City has contracted with the County of San Bernardino for law enforcement services provided by the San Bernardino County Sheriff's Department (Exhibit 1 – Original Public Safety Services Contract). Each fiscal year, cities that contract for law enforcement services are required to approve a contract amendment that specifies the level of services for that fiscal year (Exhibit 2 - Schedule "A").

DISCUSSION:

As stated in the original 94-797 contract, law enforcement duties to the City shall include:

- enforcement of state statutes;
- enforcement of city ordinances;
- traffic enforcement;
- specialized enforcement such as arson, homicide, juvenile, and narcotics enforcement;
- and attendance at City meetings.

These services shall be provided by the County personnel as specified in the attached Proposed Schedule "A."

Effective July 1, 2025, Contract No. 94-797 to provide law enforcement services to the City of Grand Terrace is hereby amended by replacing Schedule A referred to in Section II. CONSIDERATION, with Schedule A attached hereto and incorporated herein by this reference. Except as amended, all other terms and conditions of this contract remain as stated therein.

ENVIRONMENTAL IMPACT:

None.

FISCAL IMPACT:

The Thirty-Second Amendment to the Agreement for law enforcement services is a contractual obligation of \$2,525,581, of which may be subject to change upon approval of the Board of Supervisors. City staff has included a \$2,525,581 budget allocation in the proposed FY2025-26 budget for law enforcement services.

Agc 94-797
Sheriff
Inc Cities
Grand Terrace

MINUTES OF THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA

JULY 26, 1994

FROM: RICHARD G. WILLIAMS, SHERIFF

SUBJECT: LAW ENFORCEMENT SERVICE CONTRACT WITH THE CITY OF GRAND TERRACE

RECOMMENDATION:

Approve law enforcement service contract with the City of Grand Terrace.

REASON FOR RECOMMENDATION:

During the past year the County and Cities receiving contract law enforcement services have negotiated a variety of issues which has resulted in revised language for the law enforcement contracts. Approval of this contract will allow for old contract language to be replaced and update costs to current fiscal year levels and continue services for FY 94/95.

REVIEW BY OTHER DEPARTMENTS:

This contract has been reviewed and approved as to form by County Risk Management and Chief Deputy County Counsel Ron Reitz.

FINANCIAL DATA:

The annual cost of \$1,719,109 has been included in the Sheriff's Proposed Budget for FY 94/95. All costs associated with this contract will be recovered through contract revenue. No net cost to County.

cc: Sheriff w/agreement
Contractor w/agreement
c/o Sheriff
Auditor w/agreement
Affirmative Action
Risk Management
CAO
File

ch

Action of the Board of Supervisors
AGREEMENT NO. 94-797

APPROVED BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO

MOTION	SECOND	AYE	AYE	AYE	MOVE
	1	2	3	4	5

EARLENE SPROAT, CLERK OF THE BOARD

BY

DATED: JULY 26, 1994



County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

E ☒ New M ☐ Change X ☐ Cancel	Vendor Code	SC	Dept. SHR	A	Contract Number 94-797	
County Department SHERIFF		Dept. SHR	Orgn. SHR	Contractor's License No.		
County Department Contract Representative ROBERT W. TREMAINE		Ph. Ext. (909) 387-3746		Amount of Contract \$1,719,109.00		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	Activity	GRC/PROJ/JOB Number
Commodity Code			Estimated Payment Total by Fiscal Year			
Project Name			FY	Amount	I/D	
CONTRACT LAW			93/94	\$859,596	I	
ENFORCEMENT			94/95	\$895,513	I	

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name

CITY OF GRAND TERRACE

hereinafter called **CITY**

Address

22795 BARTON ROAD

GRAND TERRACE, CA 92313

Phone

Birth Date

Federal ID No. or Social Security No.

IT IS HEREBY AGREED AS FOLLOWS:

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

AMENDED LAW ENFORCEMENT SERVICE CONTRACT

WHEREAS, CITY and COUNTY desire to provide by contract for performance of law enforcement services within the territorial boundaries of CITY;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

I.

COUNTY shall provide, through the Sheriff of San Bernardino County (hereinafter referred to as "Sheriff"), law enforcement within the corporate limits of CITY as same now exist, or as such limits may be modified by annexation or exclusion during the term of this agreement.

II.

The law enforcement services to be provided by COUNTY and furnished to CITY hereunder shall include:

- A. Enforcement of state statutes;
- B. Enforcement of ordinances of CITY of the type customarily enforced by the Sheriff within the unincorporated territory of the County;
- C. Traffic enforcement, with the exception of such traffic enforcement as may be provided by the California Highway Patrol on the freeway traversing CITY;
- D. Detective, juvenile, and other specialized services such as arson, homicide, and narcotics enforcement;
- E. Attendance at meetings of the City Council of CITY and such other meetings of commissions or boards of CITY as CITY may specify.

III.

Services to be provided by COUNTY shall include Sheriff's personnel and automobiles as specified in Schedule "A" for law enforcement services. Those personnel and automobiles are to be assigned at the discretion of the Sheriff based on the needs of the community.

The services to be provided by COUNTY hereunder shall also include all equipment (including repairs thereto or depreciation thereon), supplies, communications, administration, labor, vacation, and sick leave, any COUNTY retirement contributions, gasoline, oil, and traveling expenses and all other services, obligations or expenditures necessary or incidental to the performance of the duties to be performed by Sheriff under the terms of this agreement. There shall be no reduction in COUNTY compensation under this agreement for normal downtime of vehicles. In all instances where special supplies, stationary, notices, forms, and the like are to be issued in the name of CITY and approved by the Sheriff, the same shall be supplied by CITY at its own cost and expense.

Nothing in this contract is intended to alter the effect of any statute or COUNTY ordinance related to fees for housing of inmates detained for CITY ordinance violations or for criminal justice administrative fees (Government Code Section 29550, et seq., San Bernardino County Code Section 16.027A). The CITY will be separately billed for those items.

IV.

In consideration for COUNTY'S furnishing and performance of all the services provided for herein, CITY shall pay to COUNTY, upon contract approval, the sum as per Schedule "A," attached per year, payable in monthly installments at the beginning of each calendar month during the period of this agreement. Payments shall be due by the fifth day of each month for that same month's services. Payments received after sixty (60) days of when due shall include simple interest after the 60th day against the amount owing, calculated at the COUNTY'S then current investment pool rate. Said sum is subject to adjustment for any salary increases or fringe benefits which may be granted by the Board of Supervisors to Sheriff's employees. The actual cost of overtime, court appearances, and travel expenses will be billed quarterly.

COUNTY shall have the right to renegotiate the rate for services performed under this agreement at the end of each fiscal year, and said rate may be adjusted upward or downward to reflect the actual cost.

CITY is responsible for the validity of its ordinances, including any ordinances or codes incorporated by reference in CITY'S ordinances, and CITY shall defend, hold harmless, and indemnify COUNTY, its officers and employees with respect to any lawsuit or action challenging the validity of a CITY ordinance or with respect to any allegation that any arrest, citation, or other action taken by COUNTY, its officers or employees was taken under an invalid CITY ordinance, except in those cases where the invalidity of such ordinance is the result of actions by the Sheriff's Department.

Otherwise than is stated in this agreement, CITY shall not be obliged to pay, and assumes no liability for any cost, expenditure, charge, or liability whatsoever incurred by COUNTY in or related to the performance of the provisions of this agreement by COUNTY, and COUNTY shall, in consideration for the payment of the sums herein above provided to be paid by CITY to COUNTY, hold CITY harmless from any and all such costs, expenditures, charges, or liabilities except as otherwise provided in this agreement. CITY shall not be liable for compensation or indemnity to any COUNTY employee for injury or sickness arising out of his or her employment while engaged in the performance of this agreement by COUNTY.

CITY shall hold COUNTY harmless for a reduction in law enforcement services resulting from labor relation actions and CITY'S obligation to pay COUNTY shall be reduced for services not performed for that reason.

V.

The term of this contract shall be a period of time commencing on January 1, 1994, and terminating only as hereinafter provided. This agreement may be terminated at any time with or without cause by CITY or by COUNTY upon written notice given to the other at least one (1) year before the date specified for such termination. Any such termination date shall coincide with the end of a calendar month. In the event of such termination, each party shall fully pay and discharge all obligations in favor of the other accruing prior to the date of such termination and each party shall be released from all obligations or performance which would otherwise accrue subsequent to the date of such termination. In the event of termination of this agreement, the COUNTY shall refund any sum previously paid by CITY, which when prorated represents advance payment for months of service which are not performed as a result of such termination. Neither party shall incur any liability to the other by reason of such termination.

Notwithstanding the foregoing, in the event the Sheriff provides any services to CITY on a holdover basis after the date of contract termination, CITY shall fully reimburse COUNTY for all costs of providing such services.

COUNTY shall have the right to terminate this contract if CITY does not make timely payment of its obligations hereunder to COUNTY.

Any and all notices required to be given hereunder shall be given in writing by registered or certified mail, postage prepaid. The addresses of the parties hereto until further notice are as follows:

CITY: City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

COUNTY: San Bernardino County Sheriff's Department
Bureau of Administration
P. O. Box 569
San Bernardino, CA 92402-0569

VI.

The standards of performance, the methods of performance, the discipline of officers, the control of personnel, the advancement in compensation of personnel, the determination of proper law enforcement practices and procedures, and all other matters incidental to the manner of performance of services by Sheriff hereunder shall be determined by the Sheriff at his sole discretion. The responsibility of Sheriff and of COUNTY to CITY hereunder shall be to provide, as an independent contracting agency, effective law enforcement of the level herein contracted for, and the CITY shall not have the right to determine or direct the manner or means of the performance.

VII.

All persons directly or indirectly employed by COUNTY in the performance of the services and functions to be provided to CITY hereunder, shall be employees of COUNTY, and no COUNTY employees shall have CITY pension, civil service, or other status or right. Notwithstanding the foregoing, and in order to give official status to the performance of duties by Sheriff's personnel hereunder, every Sheriff's officer or employee engaged in performing any such service or function shall be deemed to be an officer of CITY while performing service for CITY within the scope of this agreement, and such service function shall be a municipal function.

An arrest made by Sheriff's personnel while engaged in the performance of this agreement shall constitute an arrest by an officer employed by CITY, and not an arrest by COUNTY officer, within the meaning of Section 1463 of the Penal Code and any similar or related statute.

VIII.

CITY shall have the right at any time and from time to time during the term of this agreement to request a higher level of law enforcement than that herein contracted for, and within a reasonable time after such requests, COUNTY shall provide such additional personnel and vehicles as may be required to provide such additional law enforcement.

In such event, all provisions of this agreement with respect to compensation to be paid by CITY shall remain in full force and effect, but in addition to payment of the sums herein provided, CITY shall pay COUNTY in monthly installments the cost of such additional law enforcement service.

IX.

In the event of riot, civil commotion, or other emergency in the CITY which requires additional emergency or "back-up" service, COUNTY shall provide the same.

In the event of authorized public gatherings in the CITY requiring additional police services, salaries and related costs shall be borne by CITY, except where such authorized public gatherings occur on state or federal property within the CITY limits, such additional costs shall not be chargeable against the CITY.

Not included in riots or related services are salaries or related costs of additional police services for authorized public gatherings. In the event of such an emergency outside of the corporate limits of CITY, personnel or equipment assigned by Sheriff to the performance of COUNTY'S duties hereunder may be utilized by COUNTY in connection with such emergency, however no more than fifty percent (50%) of available personnel and equipment may be assigned outside the CITY boundaries without the mutual agreement of the Sheriff and the City manager. In the event of a major emergency in the CITY and surrounding communities, Sheriff's personnel and equipment shall not be assigned outside the CITY boundaries at a level which would deter from the CITY'S ability to respond to the existing emergency. In cases where the City Manager or his or her designee cannot be consulted prior to such deployment, such advisement must be made to the City Manager's Office immediately or as soon as possible thereafter. In any case the City Manager must be personally informed of the situation immediately or as soon as possible thereafter. The CITY shall be reimbursed for any resultant service not performed.

X.

To facilitate the performance of services hereunder by COUNTY, CITY, its officers, agents, and employee shall give their full cooperation and assistance within the scope of the duties and responsibilities of such officers, agents, and employees.

CITY shall hold COUNTY, its Sheriff, officers, and employees harmless from any and all liability for intentional acts or negligence on the part of CITY, its officers and employees (excluding any employees of COUNTY engaged in the performance of municipal duties hereunder) arising out of the performance of this contract.

XI.

Sheriff shall be designated as the Chief of Police of CITY at all times during the term of this agreement.

Said Sheriff shall designate a station commander to work directly with and provide liaison with the City Manager and other CITY officers of the CITY. The Sheriff's commander shall make regular monthly reports to the City Manager, and such other reports as may be appropriate as determined by the Sheriff, with respect to law enforcement within the corporate limits of CITY.

COUNTY OF SAN BERNARDINO

By *Jon Mikels*
Chairman, Board of Supervisors
Dated 7 JUL 26 1994

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD.

Clerk of the Board of Supervisors of the County of San Bernardino.

By *Coby Henkle*
Deputy

Approved as to Legal Form

By *[Signature]*
County Counsel
Date 7-8-94

Reviewed as to Affirmative Action

By
Date

CITY OF GRAND TERRACE

(State if corporation, company, etc.)
By *Thomas Schaub*
(Authorized Signature)

Dated 7-12-94

Title City Manager

Address 22795 BARTON ROAD

GRAND TERRACE, CA 92313

Reviewed for Processing

By *[Signature]*
Agency Administrator/CAO
Date 7-20-94

SCHEDULE A RATES
LAW ENFORCEMENT CONTRACT
CITY OF GRAND TERRACE
FY 1993/94

<u>SERVICE</u>	<u>FY 1993/94 COST*</u>
1 - 168 Hour General Law Patrol Unit	\$474,141
2 - 40 Hour General Law Patrol Units	238,018
.50 - 40 Hour Detective Unit	60,726
1 - Community Service Officer	40,487
3 - Radar Units	1,653
1 - Portable Radar Trailer	2,107
.50 - Marked Unit (Sergeant)	6,719
1 - Unmarked Unit Non-Code 3	10,172
CAD/CLETS/RMS	1,107
County Direct Cost	24,466
TOTAL	<u>\$859,596*</u>

COUNTY DIRECT COSTS ARE THOSE COSTS ASSESSED TO THE SHERIFF'S DEPARTMENT BY THE COUNTY FOR:

o Personnel Liability Insurance	\$11,809
o Vehicle Insurance	\$10,944
o Personnel Bonding Fee	\$ 88
o Facilities Operations Cost	\$ 1,625

MONTHLY PAYMENT SCHEDULE

1st payment due July 15	\$71,633
2nd thru 12th payment due 5th of each month	\$71,633

ADDITIONAL COST BILLED QUARTERLY

City will be billed on a quarterly basis for:

Actual overtime cost (estimated overtime for
FY 1993/94 \$8,000)
Professional services from private vendors
Services and supplies above contract formula

* Subject to change due to salary and benefit changes.

CITY OF GRAND TERRACE
LAW ENFORCEMENT CONTRACT
LEVEL OF SERVICE STAFFING GUIDE
FY 1993/94

SAFETY

.25 Lieutenant
1.06 Sergeant
.56 Deputy III's
6.87 Deputy II's
8.74

GENERAL

1.49 Station Clerks
1.10 Dispatcher
1.00 CSO
.17 Auto. Svcs.
3.76

VEHICLES

3.50 Marked Patrol
.50 Unmarked
1.00 Unmarked Non-Code 3
5.00

EQUIPMENT

3 Radar Guns
1 Portable Radar
Trailer

(07/01/93)

PAGE 2 of 2

SCHEDULE A RATES
LAW ENFORCEMENT CONTRACT
CITY OF GRAND TERRACE
FY 1994/95

<u>SERVICE</u>	<u>FY 1994/95 COST*</u>
1 - 168 Hour General Law Patrol Unit	\$493,176
2 - 40 Hour General Law Patrol Units	247,976
.50 - 40 Hour Detective Unit	63,888
1 - Community Service Officer	42,668
3 - Radar Units	1,725
1 - Portable Radar Trailer	2,107
.50 - Marked Unit (Sergeant)	6,864
1 - Unmarked Unit Non-Code 3	10,471
CAD/CLETS/RMS	1,107
County Direct Cost	25,531
TOTAL	<u>\$895,513*</u>

COUNTY DIRECT COSTS ARE THOSE COSTS ASSESSED TO THE SHERIFF'S DEPARTMENT BY THE COUNTY FOR:

o Personnel Liability Insurance	\$11,809
o Vehicle Insurance	\$12,009
o Personnel Bonding Fee	\$ 88
o Facilities Operations Cost	\$ 1,625

MONTHLY PAYMENT SCHEDULE

1st payment due July 15, 1994	\$74,627
2nd thru 12th payment due 5th of each month	\$74,626

ADDITIONAL COST BILLED QUARTERLY

City will be billed on a quarterly basis for:

Actual overtime cost (estimated overtime for
FY 1994/95 \$8,000)

Professional services from private vendors (i.e., towing, etc.)
Services and supplies above contract formula

* Subject to change due to salary and benefit changes.

CITY OF GRAND TERRACE
LAW ENFORCEMENT CONTRACT
LEVEL OF SERVICE STAFFING GUIDE
FY 1994/95

SAFETY

.25 Lieutenant
1.06 Sergeant
.56 Deputy III's
6.87 Deputy II's
8.74

GENERAL

1.49 Station Clerks
1.10 Dispatcher
1.00 CSO
.17 Auto. Svcs.
3.76

VEHICLES

3.50 Marked Patrol
.50 Unmarked
1.00 Unmarked Non-Code 3
5.00

EQUIPMENT

3 Radar Guns
1 Portable Radar
Trailer

(07/01/94)

PAGE 2 of 2



Contract Number

94-797 A-32

SAP Number

N/A

Sheriff/Coroner/Public Administrator

Department Contract Representative	<u>Carolina Mendoza, Chief Deputy Director of Sheriff's Administration</u>
Telephone Number	<u>(909) 387-0640</u>
Contractor	<u>City of Grand Terrace</u>
Contractor Representative	<u>Konrad Bolowich, City Manager</u>
Telephone Number	<u>(909) 954-5175</u>
Contract Term	<u>07/01/2025 through 06/30/2026</u>
Original Contract Amount	<u>\$ 2,525,581</u>
Amendment Amount	<u>-----</u>
Total Contract Amount	<u>\$ 2,525,581</u>
Cost Center	<u>4413151000</u>

IT IS HEREBY AGREED AS FOLLOWS:

AMENDMENT No. 32

Effective July 1, 2025, Contract No. 94-797 to provide law enforcement service to the City of Grand Terrace is hereby amended by replacing Schedule A referred to in Section II. CONSIDERATION, with the Schedule A attached hereto and incorporated herein by this reference.

Except as amended, all other terms and conditions of this Contract remain as stated therein.

[With the exception of signatures, this page is intentionally left blank].

SAN BERNARDINO COUNTY

►

Dawn Rowe, Chair, Board of Supervisors

Dated: _____
SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD
Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

By _____
Deputy

City of Grand Terrace

(Print or type name of corporation, company, contractor, etc.)

By ►

(Authorized signature - sign in blue ink)

Name Konrad Bolowich

(Print or type name of person signing contract)

Title City Manager

(Print or Type)

Dated: _____

Address 22795 Barton Road

Grand Terrace, CA 92313-5207

FOR COUNTY USE ONLY

Approved as to Legal Form
►

Grace B. Parsons, Deputy County Counsel
Date _____

Reviewed for Contract Compliance
►

Date _____

Reviewed/Approved by Department
►

Carolina Mendoza, Chief Deputy Director of
Sheriff's Administration
Date _____

SCHEDULE A
Law Enforcement Services Contract
City of Grand Terrace
2025-26

<u>LEVEL OF SERVICE</u>	<u>FY 2025-26</u> <u>COST</u>
0.21 - Lieutenant	83,641 ¹
0.90 - Sergeant	293,309 ¹
0.56 - Detective/Corporal	154,428 ¹
5.76 - Deputy Sheriff Tier 2	1,322,767 ¹
0.14 - Sheriff's Service Specialist	13,720 ¹
1.26 - Office Specialist	125,222 ¹
3.00 - Marked Unit	67,976 ²
0.50 - Unmarked Unit	5,698 ²
0.50 - Command Staff Vehicle	7,840 ²
1.00 - Citizen Patrol Truck	8,763 ²
Dispatch Services	146,316 ¹
9.00 - HTs (Amortization, Access & Maintenance)	14,418
7.00 - Taser Replacement (Amortized over 5-years)	7,221
Administrative Support	12,175
Office Automation	29,958
Body Worn Cameras	9,818
Vehicle Insurance	17,269
Personnel Liability & Bonding	176,722
Workers' Comp Experience Modification	(8,355)
County Administrative Cost	36,675
Cost for FY2025-26	\$ 2,525,581 ¹⁻⁵

Monthly Payment Schedule

1 st payment due July 15, 2025:	\$210,466
2 nd through 12 th payments due the 5 th of each month:	\$210,465

¹ Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action. Changes in salary and benefit costs will be billed to the City on a quarterly invoice.

² Vehicle costs do not include fuel and maintenance. The City is responsible for fuel, repair and maintenance of all contract vehicles, including collision damage. All fuel, repair and maintenance costs incurred by the County will be billed to the City on a quarterly invoice.

³ No replacement cost is included for grant funded or donated vehicles.

⁴ Services and supplies will be billed to the City on a quarterly invoice.

⁵ Grant funded, donated and non-replaceable vehicles will incur a vehicle insurance and equipment connection cost for the period the vehicle is in use.

SCHEDULE A
Law Enforcement Services Contract
City of Grand Terrace
2025-26

Additional Costs Billed Quarterly:

The City will be billed on a quarterly basis for the following items:

- Increase to salaries and benefits resulting from Board of Supervisors-approved changes to Memoranda of Understanding with the County's various employee organizations.
- Actual overtime costs.
- Actual on-call costs.
- Actual costs of vehicle fuel, repair and maintenance, including the costs of collision repair.
- Actual costs for services and supplies.

LEVEL OF SERVICE SUMMARY

SAFETY:

Lieutenant	-	0.21
Sergeant	-	0.90
Detective/Corporal	-	0.56
Deputy Sheriff	-	5.76
		<u>7.43</u>

GENERAL:

Office Specialist	-	1.26
Sheriff's Service Specialist	-	0.14
Dispatchers	-	0.94
		<u>2.34</u>

VEHICLES:

Marked Patrol Units	-	3.00
Safety Unmarked Units	-	0.50
Command Staff Units	-	0.50
Citizen Patrol	-	1.00
Donated Vehicles-Ins Only	-	2.00 *
		<u>7.00</u>

DONATED VEHICLES LIST:

Radar Trailer	-	1.00 *
Yamaha UTV	-	1.00 *
		<u>2.00 *</u>

* (Included for insurance costs only)

**SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF GRAND TERRACE
FY 2025-26**

Proposed - Not Final

ROLLOVER

FY 2025-26

LEVEL OF SERVICE

COST

0.21 - Lieutenant	83,641 ¹
0.90 - Sergeant	293,309 ¹
0.56 - Detective/Corporal	154,428 ¹
5.76 - Deputy Sheriff Tier 2	1,322,767 ¹
0.14 - Sheriff's Service Specialist	13,720 ¹
1.26 - Office Specialist	125,222 ¹
3.00 - Marked Unit	67,976 ²
0.50 - Unmarked Unit	5,698 ²
0.50 - Command Staff Vehicle	7,840 ²
1.00 - Citizen Patrol Truck	8,763 ²
Dispatch Services	146,316 ¹
9.00 - HTs (Amortization, Access & Maintenance)	14,418
7.00 - Taser Replacement (Amortized over 5-years)	7,221
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Body Worn Cameras	9,818
Vehicle Insurance	17,269
Personnel Liability & Bonding	176,722
Workers' Comp Experience Modification	(8,355)
County Administrative Cost	36,675

Estimated Cost for FY2025-26 \$ 2,525,581 ¹⁻⁵

Monthly Payment Schedule

1 st payment due July 15, 2025:	\$210,466
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³ No replacement cost is included for grant funded or donated vehicles.

⁴ Services and supplies will be billed to the City on a quarterly invoice.

⁵ Grant funded, donated and non-replaceable vehicles will incur a vehicle insurance and equipment connection cost for the period the vehicle is in use.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Award Contracts for CIP 2025-26

PRESENTED BY: Kamran Dadbeh, City Engineer

RECOMMENDATION:

1. Find that Capital Improvement Project (CIP 2025-26) is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(c), and authorize the preparation and filing of a Notice of Exemption, as applicable.
2. Award the construction contract for CIP 2025-26 to Onxy Paving Company, Inc., based on the Base Bid, and approve a public works agreement in the amount of \$532,000, plus a 10% contingency in the amount of \$53,200. Authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.
3. Award a contract to Willdan for inspection services related to CIP 2025-26, in the amount of \$36,240, plus a 10% contingency in the amount of \$3,624, and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

2030 VISION STATEMENT:

This staff report supports Goal #2: "Maintain Public Safety" of the 2030 Vision by investing in public infrastructure improvements that enhance community safety and accessibility.

BACKGROUND:

A bid package for CIP 2025-26 was prepared and advertised for bidding on April 17, 2025, and the bid submission period closed on April 30, 2025. Four bidders submitted proposals through a formal bid opening. Since some of the streets being rehabilitated are located in front of schools, the bidders were required to agree that the work would be completed by July 23, 2025, before the start of the 2025-26 school year.

DISCUSSION:

The project involves street rehabilitation, including paving, striping, and sidewalk replacement at the following locations (see attached map):

- Brentwood Street – from Mt. Vernon Avenue to Preston Street
- Grand Terrace Road – from Mt. Vernon Avenue to Terrace Court
- Michigan Street – from De Berry Street to Van Buren Street

Bids were accepted until 10:00 a.m. on April 30, 2025. The City Clerk received the following timely

bids:

- Hardy & Harper Inc., Lake Forest: \$594,000
- R.J. Noble, Orange: \$639,615.84
- All American Asphalt, Corona: \$568,269
- Onyx Paving Company, Inc., Anaheim: \$532,000

In addition, staff solicited a proposal from Willdan for inspection services related to the project, and the proposal for inspection services was \$36,240.

Based on the bid results and inspection proposal, staff recommends awarding the construction contract to Onyx Paving Company Inc. the lowest responsible bidder and approving Willdan's proposal for inspection services. Staff requests City Council concurrence with this recommendation.

ENVIRONMENTAL IMPACT:

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(c), which exempts the repair, maintenance, and minor alteration of existing streets, sidewalks, and similar facilities involving negligible or no expansion of existing use. Therefore, the project is not anticipated to have a significant effect on the environment.

FISCAL IMPACT:

This project will be funded through a combination of RMRA (Road Maintenance and Rehabilitation Account) funds, the Gas Tax funds, Measure I funds and associated reserves if needed. The total project cost, including the \$532,000 construction contract with Onyx Paving Company, Inc. and the \$36,240 inspection services proposal from Willdan, will be covered by these funding sources, ensuring the completion of the street rehabilitation work as outlined in the bid package. The expenditures will be accounted for in Account #46-900-321-000-000 and will be accounted for in the FY2025-26 budget.

**CITY OF GRAND TERRACE
AGREEMENT FOR CONTRACT SERVICES FOR
INSPECTION SERVICES FOR THE
CAPITAL IMPROVEMENT PROJECT (CIP NO. 2025-26)**

This “CITY OF GRAND TERRACE AGREEMENT FOR CONTRACT SERVICES FOR INSPECTION SERVICES FOR THE CAPITAL IMPROVEMENT PROJECT (CIP NO. 2025-26)” (herein “Agreement”) is made and entered into this May 13, 2025, by and between the CITY OF GRAND TERRACE, a California municipal corporation (“City”) and Willdan Engineering, a California corporation (herein “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

NOW, THEREFORE, the Parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference, but not exceeding the maximum contract amount of Thirty-Six Thousand Two Hundred Forty Dollars and Zero Cents (\$36,240.00) (“Contract Sum”).

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form

approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by Consultant to determine whether the work performed, and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within forty five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City of any invoice provided by Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars (\$5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency,

including City, if Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. Chris Baca is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. The City Manager of the City of Grand Terrace, or such person as designated by the City Manager, is hereby designated as being the representative City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor. Neither City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of \$100,000 per person and \$300,000 per occurrence and property damage liability limits of \$150,000 per occurrence or (ii) combined single limit liability of \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars, and any other automobile.

(d) Professional Liability. Professional liability insurance appropriate to Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least five (5) consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name City, elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against City, officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the

insurer or any Party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to City. In the event any of said policies of insurance are cancelled, Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City. City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best's Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of City due to unique circumstances.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

a. Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

b. Consultant will promptly pay any judgment rendered against City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold City, its officers, agents, and employees harmless therefrom;

c. In the event City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to City, its officers, agents or employees, any and all costs and expenses incurred by City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three (3) years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

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

(b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the “documents and materials”) prepared by Consultant in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either Party

of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, Consultant may terminate this Contract at any time for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where Consultant has initiated termination, Consultant 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. In the event Consultant has initiated termination, Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Consultant. If termination is due to the failure of Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to Consultant for the purpose of set-off or partial payment of the amounts owed City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of City Officers and Employees. No officer or employee of City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by City or for any amount, which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of

City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorney's Fees. If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts and Electronic Signatures.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including,

without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[Signatures on the following page.]

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

Willdan Engineering, a California corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

Address: 13191 Crossroads Parkway North, Suite
405, Industry, CA 91746

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐
☐

INDIVIDUAL
CORPORATE OFFICER

TITLE(S)

☐
☐
☐
☐
☐

PARTNER(S) ☐ LIMITED
☐ GENERAL

ATTORNEY-IN-FACT

TRUSTEE(S)

GUARDIAN/CONSERVATOR

OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

I. Consultant will perform the following services (herein after referred to collectively as “Services”) as set forth below and inclusive of the proposal attached hereto as the Scope of Work set forth in Exhibit “A-1”:

1. Review the Capital Improvement Project (CIP 2025-1) (“Project”) plans, specifications, and all other contract- and construction-related documents.
2. Conduct a field investigation of the Project area to become familiar with the existing facilities and the Project environment.
3. Become familiar with traffic control plans, construction schedule, construction sequence, and permit requirements from other agencies.
4. Verify that the Project contractor conforms to the design survey line and grades.
5. Attend weekly progress meetings with the Project’s construction manager, contractor, and subcontractors.
6. Assist with review of up to eight (8) shop drawings/submittals, including resubmittals.
7. Provide full-time and as-needed construction inspection, including night inspection, of the Project to monitor materials and methods for compliance with plans, specifications, and contract documents; address and document nonconforming items as they are discovered.
8. Monitor Project’s compliance with Cal OSHA requirements and compliance with all local, state, and federal regulations. Although Willdan Engineering will monitor the activities, it is the contractor’s sole responsibility to provide workers with a safe working environment.
9. Provide City’s labor compliance manager with federally-compliant labor and equipment reports.
10. Monitor Project’s compliance with the Clean Air Act and the Clean Water Act (National Pollutant Discharge Elimination System – NPDES best management practices). Also, monitor the contractor’s compliance with approved SWPPP.
11. Meet with the Project contractor at the beginning of each day and review the proposed work plan, including specific details that may affect progress.
12. Conduct daily measurements of quantities of work with the contractor.

13. Review actual Project contractor performance throughout the day and discuss discrepancies with the contractor as they occur.
14. Assist in coordination of engineering support, surveying, specialty inspections, and fieldwork by utility companies.
15. Ensure compliance of Underground Service Alert notification/delineation.
16. Evaluate the Project contractor's operation and production with respect to quality and progress and report to the City's Project Manager and Construction Manager.
17. Photograph continuous property frontages along the street alignment once prior to construction and once immediately following construction.
18. Closely monitor testing results and require the Project contractor to provide corrective measures to achieve compliance.
19. Maintain copies of all permits needed to construct the Project and enforce special requirements of each.
20. Analyze delays and review claims on a timely basis and make recommendations to the construction manager.
21. Assist with the review and evaluation of up to three (3) change orders.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to City:

- A. In addition to any deliverable tangible work products identified in this Agreement and the Detailed Scope of Work, Consultant shall provide tangible work products as may be reasonably requested by the City from time-to-time.
- B. Maintain a photographic record of key elements of each major operation of work each day, with increased detail in situations of potential changes or claims.
- C. Maintain and submit a clean set of plans marked in red for as-built corrections on record drawings to be filed with the City. (City's design consultant will transfer the contractor's record drawings to original Mylar drawings).
- D. Schedule a final inspection with the City and applicable agencies; prepare, distribute, and inspect corrections to the final punch list for completion; and recommend final acceptance.
- E. Prepare documentation for final payment to the Project contractor.
- F. Upon Project completion, provide the finished set of Project workbooks to the City.

- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep City appraised of the status of performance by delivering the following status reports:**
- A.** Detailed daily diary inspector reports on construction progress.
 - B.** Clear and concise letters and memoranda, as needed. Establish a solid paper trail.
 - C.** Field file bound workbooks and Willdan Engineering electronic file during construction, including a cumulative record of quantities constructed, daily and weekly reports, working day reports, change order documentation, photographs, and other documentation.
 - D.** Prepare a punch list at substantial completion and follow up with the Project contractor regarding progress of corrections.
 - E.** Provide complete measurements and calculations documented to administer progress payments.
 - F.** Consultant shall provide such status reports, including meetings and/or conference calls, as may be needed by the City from time-to-time, including those status reports identified in the Detailed Scope of Work. If any meetings and/or conference calls are held, Consultant shall also prepare the necessary meeting agendas and meeting minutes.
- IV. All work product is subject to review and acceptance by City, and must be revised by Consultant without additional charge to City until found satisfactory and accepted by City.**
- V. Consultant will utilize the following personnel to accomplish the Services:**
- A.** Mr. Joe Putrino, Construction Manager/Senior Public Works Inspector
 - B.** Resident engineers
 - C.** Construction managers
 - D.** Construction inspectors

EXHIBIT “A-1”

SCOPE OF WORK

SCOPE OF WORK

Construction Inspection



The Construction Inspector will observe work performed by the contractor for general conformance with the plans and specifications. The project inspector will be expected to be onsite at all times during construction activities.

1. Review plans, specifications, and all other contract- and construction-related documents.
2. Conduct a field investigation of the project area to become familiar with the existing facilities and the project environment.
3. Become familiar with traffic control plans, construction schedule, construction sequence, and permit requirements from other agencies.
4. Verify that the contractor conforms to the design survey line and grades.
5. Attend weekly progress meetings with the construction manager, contractor, and subcontractors.
6. Provide full-time and as-needed construction inspection, including night inspection, of the work to monitor materials and methods for compliance with plans, specifications, and contract documents; address and document non-conforming items as they are discovered.
7. Monitor compliance with Cal OSHA requirements and compliance with all local, state, and federal regulations. Although Willdan will monitor the activities, it is the contractor's sole responsibility to provide workers with a safe working environment.
8. Monitor compliance with the Clean Air Act and the Clean Water Act (National Pollutant Discharge Elimination System – NPDES best management practices). Also, monitor the contractor's compliance with approved SWPPP.
9. Meet with the contractor at the beginning of each day and review the proposed work plan, including specific details that may affect progress.
10. Conduct daily measurements of quantities of work with the contractor.
11. Review actual contractor performance throughout the day and discuss discrepancies with the contractor as they occur.
12. Assist in coordination of engineering support, surveying, specialty inspections, and fieldwork by utility companies.
13. Ensure compliance of Underground Service Alert notification/delineation.
14. Evaluate the contractor's operation and production with respect to quality and progress and report to the City's Project Manager and Construction Manager.
15. Photograph continuous property frontages along the street alignment once prior to construction and once immediately following construction. Maintain a photographic record of key elements of each major operation of work each day, with increased detail in situations of potential changes or claims.
16. Closely monitor testing results and require the contractor to provide corrective measures to achieve compliance.
17. Maintain copies of all permits needed to construct the project and enforce special requirements of each.
18. Prepare and maintain detailed daily diary inspector reports on construction progress.
19. Prepare clear and concise letters and memoranda, as needed. Establish a solid paper trail.
20. Maintain field file bound workbooks and Willdan electronic file during construction, including a cumulative record of quantities constructed, daily and weekly reports, working day reports, change order documentation, photographs, and other documentation.
21. Provide complete measurements and calculations documented to administer progress payments.
22. Maintain and submit a clean set of plans marked in red for as-built corrections on record drawings to be filed with the City. (City's design consultant will transfer the contractor's record drawings to original Mylar drawings).
23. Prepare a punch list at substantial completion and follow up with the contractor regarding progress of corrections.
24. Schedule a final inspection with the City and applicable agencies; prepare, distribute, and inspect corrections to the final punch list for completion; and recommend final acceptance.
25. Prepare documentation for final payment to the contractor..

EXHIBIT “B”

SPECIAL REQUIREMENTS (Superseding Contract Boilerplate)

If the Parties wish to revise provisions in the Agreement above (from page 1 through the signature page), then the revisions shall be presented in this Exhibit B, with deletions shown in ~~strike through~~ and additions shown in **bold** and *italics*.

NONE.

EXHIBIT “C”

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

PROJECT FEE

Willdan proposes to perform the required inspection services on a time and materials (T&M) basis. Willdan's proposal is based upon the City's estimated 30 Working Day construction schedule. Our proposed not-to-exceed fee for the Scope of Work identified above is **\$36,240.00**.

Classification	Public Works Inspector (Prevailing Wage) \$151/hr	Total Hrs.	Total
Preconstruction	0	0	
Construction Management	0	0	
Construction Inspection	240	240	\$36,240.00
Total Not-to-Exceed Fee			\$36,240.00

¹ Hours are estimated and will be dependent upon the Contractor's final phasing and scheduling of the work.

² Additional service needed beyond 60 working days will be provided on a time-and-material basis at Willdan's standard hourly rates.

³ Overtime inspection services are not included but will be billed at 1.5 times normal hourly rate if required and may require adjustment to the approved budget. Work performed by support staff with titles not explicitly listed herein will be charged in accordance with Willdan's City of Grand Terrace's Project 2024 specified hourly rates.

- II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.**
- III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.**
- IV. City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.**
 - B. Line items for all materials and equipment properly charged to the Services.**
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.**
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.**

- V. The total compensation for the Services shall not exceed Thirty-Six Thousand Two Hundred and Twenty Dollars and Zero Cents (\$36,240.00) as provided in Section 2.1 of this Agreement.**
- VI. Consultant's billing rates for all personnel are attached as Exhibit "C-1".**

EXHIBIT “C-1”

CONSULTANT PERSONNEL BILLING RATES

PROJECT FEE

Willdan proposes to perform the required inspection services on a time and materials (T&M) basis. Willdan's proposal is based upon the City's estimated 30 Working Day construction schedule. Our proposed not-to-exceed fee for the Scope of Work identified above is **\$36,240.00**.

Classification	Public Works Inspector (Prevailing Wage) \$151/hr	Total Hrs.	Total
Preconstruction	0	0	
Construction Management	0	0	
Construction Inspection	240	240	\$36,240.00
Total Not-to-Exceed Fee			\$36,240.00

¹ Hours are estimated and will be dependent upon the Contractor's final phasing and scheduling of the work.

² Additional service needed beyond 60 working days will be provided on a time-and-material basis at Willdan's standard hourly rates.

³ Overtime inspection services are not included but will be billed at 1.5 times normal hourly rate if required and may require adjustment to the approved budget. Work performed by support staff with titles not explicitly listed herein will be charged in accordance with Willdan's City of Grand Terrace's Project 2024 specified hourly rates.

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform and complete all Services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Officer and the City Attorney’s office.**
- II. Consultant shall deliver the following tangible work products, as described in Exhibit “A” to City within 30 working days from the date of Notice to Proceed issued by the Contract Officer (the “Schedule”). Contractor shall complete all work consistent with City requirements within 30 working days of the Notice to Proceed, but in no event shall the work extend beyond 90 working days .**
- III. The Contract Officer may approve extensions for performance of the services beyond 90 days in accordance with Section 3.2.**

PUBLIC WORKS AGREEMENT

By and Between

CITY OF GRAND TERRACE

and

ONYX PAVING COMPANY, INC.

**AGREEMENT FOR PUBLIC WORKS SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND
ONYX PAVING COMPANY, INC.**

This AGREEMENT FOR PUBLIC WORKS SERVICES BETWEEN THE CITY OF GRAND TERRACE AND ONYX PAVING COMPANY, INC. (herein “Agreement”) is made and entered into this 13th day of May, 2025 by and between the City of GRAND TERRACE, a California municipal corporation (“City”) and ONYX PAVING COMPANY, INC., a California corporation (“Contractor”). City and Contractor may be referred to, individually or collectively, as “Party” or “Parties,” respectively.

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by City to perform those services.

C. Pursuant to City of Grand Terrace Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

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

ARTICLE 1. WORK OF CONTRACTOR

1.1 Scope of Work.

In compliance with all terms and conditions of this Agreement, Contractor shall provide those services specified in the “Scope of Work” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the work required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all

materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Bid Documents.

The Scope of Work shall include the “General Provisions” and “Special Provisions” in the Bid Documents for the project entitled “2025-26 Capital Improvement Project (“Project”), as well as the Contractor’s Proposal for the “Pavement Rehabilitation on **Brentwood Street from Mt. Vernon to Preston Street, Grand Terrace Rd. from Mt. Vernon to Grand Terrace Court, Michigan Ave. From De Berry St. to Van Buren St.,**” including any documents or exhibits referenced therein (collectively, “Bid Documents”), all of which are incorporated herein by this reference. In the event of any inconsistency between the terms of the Bid Documents and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Incorporation of Green Book.

The provisions of the 2024 Edition of the Standard Specifications for Public Works Construction, as updated by errata, (“Greenbook”) are incorporated herein, except as explicitly modified by the Bid Documents. In the event of any conflict between the provisions of the Greenbook and this Agreement, the terms of this Agreement shall govern.

1.5 Compliance with California Labor Law.

(a) Public Work. The Parties acknowledge that the work to be performed under this Agreement is a “public work” as defined in California Labor Code Section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Contractor shall post job site notices, as prescribed by regulation.

(b) Prevailing Wages. Contractor shall pay prevailing wages to the extent required by Labor Code Section 1771. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at City Hall and will be made available to any interested party on request. By initiating any work under this Agreement, Contractor acknowledges receipt of a copy of the DIR determination of the prevailing rate of per diem wages, and Contractor shall post a copy of the same at each job site where work is performed under this Agreement.

(c) Penalty for Failure to Pay Prevailing Wages. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing

wages. Contractor shall, as a penalty to City, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

(d) Payroll Records. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury; certify and make such payroll records available for inspection; and inform City of the location of the records.

(e) Apprentices. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all occupations capable of apprenticeship. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

(f) Eight-Hour Work Day. Contractor acknowledges that eight (8) hours of labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810.

(g) Penalties for Excess Hours. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Contractor shall, as a penalty to City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay.

(h) Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of Labor Code Section 1861, Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

Contractor's Authorized Initials _____

(i) Contractor's Responsibility for Subcontractors. For every

subcontractor who will perform work under this Agreement, Contractor shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code, and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Contractor shall take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.6 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits, registrations, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.7 Familiarity with Work.

(a) By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of work to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder.

(b) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (i) material Contractor believes may be hazardous waste as defined in Section 25117 of the Health & Safety Code required to be removed to a Class I, II, or III disposal site in accordance with existing law; (ii) subsurface, unknown or latent conditions, materially different from those indicated; or (iii) unknown physical conditions at the site of any unusual nature, different from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement, and will materially affect the performance of the services hereunder. Should Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform City of such fact and shall not proceed except at Contractor's sole risk until written instructions are received from the Contract Officer.

(c) City shall promptly investigate the conditions, and if it finds that the conditions do materially differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order per Section 1.11 of this Agreement.

(d) In the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or

increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date set, but shall proceed with all work to be performed under the Agreement. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting Parties.

(e) City will compensate Contractor to the extent required by Government Code Section 4215 by issuing a change order per Section 1.11 of this Agreement.

1.8 Protection and Care of Work and Materials.

Contractor shall adopt reasonable methods, including providing and maintaining storage facilities, during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as caused by City's own negligence. Stored materials shall be reasonably accessible for inspection by City. Contractor shall not, without City's consent, assign, sell, mortgage, hypothecate, or remove equipment or materials which have been installed or delivered and which may be necessary for the completion of the work.

1.9 Warranty.

Contractor warrants all work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one (1) year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by City of any defect in the work or non-conformance of the work to the Agreement, commence and prosecute with due diligence all work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act as soon as requested by City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair, remove and replace any portions of the work (or work of other contractors) damaged by its defective work or which becomes damaged in the course of repairing or replacing defective work. For any work so corrected, Contractor's obligation hereunder to correct defective work shall be reinstated for an additional one (1) year period, commencing with the date of acceptance of such corrected work. Contractor shall perform such tests as City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the work, whether express or implied, are deemed to be obtained by Contractor for the benefit of City, regardless of whether or not such warranties and guarantees have been transferred or assigned to City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of City, City shall have the right to correct and replace any defective or non-

conforming work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse City for any expenses incurred hereunder upon demand.

1.10 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible for the service of the other.

1.11 Additional Work and Change Orders.

(a) City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Work or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of Contractor ("Change Order"). All Change Orders must be signed by Contractor and Contract Officer prior to commencing the extra work thereunder.

(b) Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or any increase in the time to perform of up to one hundred eighty (180) days; and does not materially affect the Scope of Work and which are not detrimental to the Scope of Work or to the interest of City, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council.

(c) Any adjustment in the Contract Sum for a Change Order must be in accordance with the rates set forth in the Schedule of Compensation in Exhibit "C". If the rates in the Schedule of Compensation do not cover the type of work in the Change Order, the cost of such work shall not exceed an amount agreed upon in writing and signed by Contractor and Contract Officer. If the cost of the Change Order cannot be agreed upon, City will pay for actual work of the Change Order completed, to the satisfaction of City, as follows:

(i) Labor: the cost of labor shall be the actual cost for wages of workers and subcontractors performing the work for the Change Order at the time such work is done. The use of labor classifications that would increase the cost of such work shall not be permitted.

(ii) Materials and Equipment: the cost of materials and equipment shall be at cost to Contractor or lowest current price which such materials and equipment are reasonably available at the time the work is done, whichever is lower.

(iii) If the cost of the extra work cannot be agreed upon, Contractor must provide a daily report that includes invoices for labor, materials and equipment costs for the work under the Change Order. The daily report must include: list of names of workers, classifications, and hours worked; description and list of quantities of materials used; type of equipment, size, identification number, and hours of operation, including loading and transportation, if applicable; description of other City authorized services and expenditures in such detail as City may require. Failure to submit a daily report by the close of the next working day may, at City's sole and absolute discretion, waive Contractor's rights for that day.

(d) It is expressly understood by Contractor that the provisions of this Section 1.11 shall not apply to services specifically set forth in the Scope of Work. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Work may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors.

(e) No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.12 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed \$532,000.00 (Five Hundred and Thirty Two Thousand Dollars and No Cents (the "Contract Sum")), unless additional compensation is approved pursuant to Section 1.11.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services less the contract retention; (iii) payment for time and materials based upon Contractor's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5,

and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall, as soon as practicable, independently review each invoice submitted by Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, City cannot guarantee that payment will occur within this time period. In the event that City does not cause Contractor to be paid within forty-five (45) days of receipt of an undisputed and properly submitted invoice, Contractor shall be entitled to the payment of interest to the extent allowed under Public Contract Code Section 20104.50. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor, not later than seven (7) days after receipt by City, for correction and resubmission. Returned invoices shall be accompanied by a document setting forth in writing the reasons why the payment request was rejected. Review and payment by City of any invoice provided by Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

2.6 Substitution of Securities.

(a) In conformance with the State of California Public Contract Code, Part 5, Section 22300, Contractor may substitute securities for any monies withheld by the City to ensure performance under this Agreement.

(b) At the request and expense of Contractor, Contractor has the option of establishing an escrow account with a state or federally chartered bank which shall serve as an escrow agent, for Contractor's direct deposit of securities as a substitute for retention earnings required to be withheld by City. Upon Contractor's completion of its obligations hereunder, as evidenced by City's acceptance of the work pursuant to Section 3.3 hereof, the escrow agent shall return the securities to Contractor. The escrow agent shall notify City within ten (10) days after

deposit of the securities. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention. Securities shall be held in the name of City and shall designate Contractor as the beneficial owner. Alternatively, on written request of Contractor, City shall make payments of the retention earnings directly to the escrow account.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including City, if Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Contractor be entitled to recover damages against City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Inspection and Final Acceptance.

City may inspect and accept or reject any of Contractor's work under this Agreement, either during performance or when completed. City shall reject or finally accept Contractor's work within forty-five (45) days after submission to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as to amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Articles 1 and 5, pertaining to warranty and indemnification and insurance, respectively.

3.5 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this

Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Corey R. Kirschner
Jay Kirschner

CEO
Senior Project Manager

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Principals were a substantial inducement for City to enter into this Agreement. Therefore, the Principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the City Manager or such person as may be designated by the City Manager. It shall be Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of City. All subcontractors shall obtain, at its or Contractor's expense, such licenses, permits, registrations and approvals (including from City) as may be required by law for the performance of any services or work under this Agreement. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

Without limiting Contractor's indemnification of City, and prior to commencement of any services under this Agreement, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City which shall cover all elected and appointed officers, employees and agents of City.

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

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

(c) Professional liability (errors & omissions) insurance. Contractor shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Contractor agrees to maintain continuous coverage through a period no less than five (5) consecutive years after completion of the services required by this Agreement.

(d) Workers' compensation insurance. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

(a) Proof of insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of coverage. Contractor shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Contractor, its agents, representatives, employees or subcontractors.

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

(d) City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium

paid by City will be promptly reimbursed by Contractor or City will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, City may cancel this Agreement.

(e) Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of "A" (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

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

(g) Enforcement of contract provisions (non-estoppel). Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Contractor maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

(i) Notice of cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

(l) Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of

liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass through clause. Contractor agrees to ensure that its subcontractors and any other party involved with the project who is brought onto or involved in the project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.

(n) Agency's right to revise specifications. City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Contractor, City and Contractor may renegotiate Contractor's compensation.

(o) Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

(p) Timely notice of claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnitors"), or arising from Contractor's or indemnitors' reckless or willful misconduct, or arising from Contractor's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against City,

its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold City, its officers, agents, and employees harmless therefrom;

(c) In the event City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to City, its officers, agents or employees, any and all costs and expenses incurred by City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

In addition, Contractor agrees to indemnify, defend and hold harmless the Indemnified Parties from, any and all claims and liabilities for any infringement of patent rights, copyrights or trademark on any person or persons in consequence of the use by the Indemnified Parties of articles to be supplied by Contractor under this Agreement, and of which Contractor is not the patentee or assignee or has not the lawful right to sell the same.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services and work hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Notification of Third-Party Claims.

City shall timely notify Contractor of the receipt of any third-party claim relating to the work under this Agreement. City shall be entitled to recover from Contractor its reasonable costs incurred in providing such notification.

5.5 Performance and Labor Bonds.

Concurrently with execution of this Agreement, Contractor shall deliver to City the following:

a. A performance bond in the amount of the Contract Sum of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement ("Performance Bond").

b. A labor and materials bond in the amount of the Contract Sum of this Agreement, in the form provided by the City Clerk, which secures the payment of all persons furnishing labor and/or materials in connection with the work under this Agreement ("Labor

Bond”).

Both the Performance Bond and Labors Bond required under this Section 5.5 shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if Contractor promptly and faithfully performs all terms and conditions of this Agreement and pays all labor and materials for work and services under this Agreement. The bonds shall be in the form as provided in Exhibits “A-2” and “A-3” as applicable.

5.6 Sufficiency of Insurer or Surety.

Insurance and bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best’s Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better. If City determines that the work to be performed under this Agreement creates an increased or decreased risk of loss to City, the Contractor agrees that the minimum limits of the insurance policies and the bonds may be changed accordingly upon receipt of written notice from City’s Risk Manager.

5.7 Substitution of Securities.

Pursuant to Public Contract Code Section 22300, substitution of eligible equivalent securities for any funds withheld to ensure performance under this Agreement may be permitted at the request and sole expense of Contractor. Alternatively, Contractor may, pursuant to an escrow agreement in a form prescribed by Public Contract Code Section 22300, request payment of retentions funds earned directly to the escrow agent at the sole expense of Contractor.

5.8 Release of Securities.

City shall release the Performance Bond and Labor Bond when the following have occurred:

- (a) Contractor has made a written request for release and provided evidence of satisfaction of all other requirements under Article 5 of this Agreement;
- (b) the Work has been accepted; and
- (c) after passage of the time within which lien claims are required to be made pursuant to applicable laws; if lien claims have been timely filed, City shall hold the Labor Bond until such claims have been resolved, Contractor has provided statutory bond, or otherwise as required by applicable law.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies, certified and accurate copies of payroll records in compliance with all applicable laws, or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as

shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor's business, custody of the books and records may be given to City, and access shall be provided by Contractor's successor in interest. Notwithstanding the above, Contractor shall fully cooperate with City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by Contractor will be at City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in

the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Contractor's conduct.

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

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes.

(a) Default; Cure. In the event that Contractor is in default under the terms of this Agreement, City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, City shall hold all invoices and shall proceed with payment on the invoices only when the default is cured. In the alternative, City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not

cure the default, City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of City to give notice of Contractor's default shall not be deemed to result in a waiver of City's legal rights or any rights arising out of any provision of this Agreement.

(b) Dispute Resolution. This Agreement is subject to the provisions of Article 1.5 (commencing at Section 20104) of Division 2, Part 3 of the California Public Contract Code regarding the resolution of public works claims of less than \$375,000. Article 1.5 mandates certain procedures for the filing of claims and supporting documentation by Contractor, for the response to such claims by City, for a mandatory meet and confer conference upon the request of Contractor, for mandatory non-binding mediation in the event litigation is commenced, and for mandatory judicial arbitration upon the failure to resolve the dispute through mediation. This Agreement hereby incorporates the provisions of Article 1.5 as though fully set forth herein.

7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, Contractor and its sureties shall be liable for and shall pay to City the sum of One Thousand Dollars (\$1,000) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). City may withhold from any monies payable on account of services performed by Contractor any accrued liquidated damages. Pursuant to Government Code Section 4215, Contractor shall not be assessed liquidated damages for delay in completion of the project when such delay was caused by the failure of the public agency or owner of the utility to provide for removal or relocation of utility facilities.

7.8 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Contractor, except that where termination is due to the fault of Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of City, the period of notice may be such shorter time as Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where Contractor has initiated termination, the 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 Contractor has initiated termination, Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating Party with the opportunity to cure pursuant to Section 7.2.

7.9 Termination for Default of Contractor.

If termination is due to the failure of Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to Contractor for the purpose of set-off or partial payment of the amounts owed City as previously stated.

7.10 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a Party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

7.11 Unfair Business Practices Claims.

In entering into this Agreement, Contractor offers and agrees to assign to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code), arising from purchases of goods, services or materials related to this Agreement. This assignment shall be made and become effective at the time City renders final payment to Contractor without further acknowledgment of the Parties.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of City shall be personally liable to Contractor, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.1 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.2 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class.

8.3 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Road, Grand Terrace, California 92313, and in the case of Contractor, to the person at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section. All correspondence relating to this Agreement shall be serialized consecutively.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts and Electronic Signatures.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and Adobe Sign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the

same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Contractor and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect. Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code

Sections 81000, *et seq.*).

Contractor's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONTRACTOR:

Onyx Paving Company, INC.

By:

Name: Corey R. Kirschner
Title: C E O and P r e s i d e n t

By:

Name: Jay Kirschner
Title: Senior Project Manager

Address: 2890 E. La Cresta Ave.
Anaheim, CA 92806

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

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On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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Signature: _____

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GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

OTHER _____

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF WORK

- I. Contractor shall perform the Capital Improvement Project (CIP 2025-26) including any documents or exhibits referenced therein. The scope of work shall include the Bid Documents including, but not limited to, Contractor’s Proposal for the “Pavement Rehabilitation on **Brentwood Street from Mt. Vernon to Preston Street, Grand Terrace Rd. from Mt. Vernon to Grand Terrace Court, Michigan Ave. From De Berry St. to Van Buren St.,**” including any documents or exhibits referenced therein (collectively, “Bid Documents”), and those bid specifications and documents provided in Exhibits “A” and “A-1”.
- II. Brief description of the work to be performed:
 - A. 2025-26 Capital Improvement Project CIP No. 2025-1 in accordance with approved plans, specifications, Addenda 1 and submitted proposal. This includes, but is not limited to, the removal and replacement of existing asphalt paving (various depths) at designated locations shown on the plans; cold mill existing AC 2” deep and construct 2” asphalt rubber hot mix (ARHM) overlay; reinstall pavement markings and striping, and remove and replace concrete sidewalk, driveway and curb & gutter.
- III. In addition to the requirements of Section 6.2, during performance of the work, Contractor will keep City apprised of the status of performance by delivering status reports as may be required by City from time to time.
- IV. All work is subject to review and acceptance by City, and must be revised by Contractor without additional charge to City until found satisfactory and accepted by City.
- V. Contractor shall provide safe and continuous passage for pedestrian and vehicular traffic in accordance with the Work Area Traffic Control Handbook (“WATCH”), latest edition.

EXHIBIT “A-1”

BID SPECIFICATIONS AND DOCUMENTS

PROPOSAL

BIDDING SCHEDULE

**PAVEMENT REHABILITATION ON BRENTWOOD STREET FROM MT VERNON AVE TO
PRESTON ST AND GRAND TERRACE ROAD FROM MT VERNON AVE TO TERRACE CT AND
MICHIGAN STREET FROM DE BERRY ST TO VAN BUREN ST**

(CIP 2025-2026)

PAVEMENT REHABILITATION, SIGNING AND STRIPING

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	SUB-TOTAL
1	Mobilization	L.S.	1	30,000	30,000
2	Traffic Control	L.S.	1	43,838.15	43,838.15
3	Cold Milling 2" Thick	S.F.	214,732	0.25	53,683
4	2" ARHM Pavement Overlay	TON	2,577	131	337,587
5	Slurry Seal Type II	S.F.	1,265	6	7,590
6	Adjust MH to grade	EA.	22	1,000	22,000
7	Adjust water valve to grade	EA.	21	160	3,360
8	PCC Sidewalk	S.F.	40	50	2,000
9	Remove/Replace PCC Sidewalk	S.F.	154	50	7,700
10	8" PCC Curb & Gutter	L.F.	0	0	0
11	12" White Stripe, Detail A24E	L.F.	250	4.70	1,175
12	24" Yellow Solid Line (24" Space, 10' Long) Crosswalk	L.F.	526	9.50	4,997
13	4" Wide Yellow Solid Line	L.F.	300	0.75	225
14	4" Wide White Solid Line	L.F.	50	0.75	37.50
15	4" Double Yellow Centerline, Detail 22	L.F.	1,778	1.50	2,667
16	4" Wide Yellow Centerline, Detail 1	L.F.	883	0.70	618.10
17	8" Wide White Channelizing Line, Detail 38A	L.F.	125	0.95	118.75
18	8" Wide Solid White Line	L.F.	320	3.70	1,184
19	Type VI Arrow (Right Lane Drop), A24A	EA.	1	210	210
20	Detail A24C, "25"	EA.	6	135	810
21	Detail A24C, "35"	EA.	2	135	270
22	Detail A24D, "BUMP AHEAD" White	EA.	4	415	1,660
23	Detail A24D, "STOP AHEAD" White	EA.	2	415	830
24	Detail A24D, "SCHOOL XING"	EA.	2	415	830
25	Detail A24D, "STOP" White	EA.	5	310	1,550
26	Detail A24D, "SCHOOL"	EA.	4	310	1,240
27	Lane Channelizer (White, Surface Mounted) Per Plan A73C	EA.	7	130	910

28	Speed Limit Sign, R2-1 (25)	EA.	1	450	450
29	Speed Limit Sign, R2-1 (35)	EA.	1	450	450
30	Lane Reduction Sign, W4-2	EA.	2	470	940
31	Stop Ahead Sign, W3-1	EA.	2	470	940
32	"No Parking – Loading & Unloading Only" Sign	EA.	3	420	1,260
33	Paint Curb White	L.F.	235	3.70	869.50

TOTAL BID \$ 532,000

Five hundred thirty two thousand dollars even
Total Bid Costs Written in Words

NOTE: The unit price must be written in words and also shown in figures. The total price must be extended for each item of work and the total of all items inserted in the space provided.

The project's Notice of Inviting Bid, Bid Schedule, Addenda, Plan Holder's List, and Bid Results will be posted on the City's website at <https://www.grandterrace-ca.gov>.

EXHIBIT "A-2"

PERFORMANCE BOND

We, _____, a California corporation, as Principal, and _____, as Surety, jointly and severally, firmly bind ourselves, our heirs, representatives, successors and assigns, as set forth herein, to the City of Grand Terrace ("City") for payment of the penal sum of Five Hundred Thirty Two **U.S. Dollars and Zero Cents (\$532,000.00)**. City and Principal have entered into an agreement, or are about to enter into the agreement attached hereto and incorporated by reference herein, for completion of public works for the property(ies) referenced in said agreement. Surety herein approves of the terms and conditions of said agreement and binds itself to faithfully perform the obligations of Principal therein if Principal fails to so perform. Surety acknowledges that the agreement herein referenced shall be that document as executed by City and Principal.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall in all things stand to and abide by, and well and truly keep and perform all of the covenants, conditions, and provisions in said agreement, and any alteration thereof made as therein provided, on Principal's part to be kept and performed at the time and in the manner therein specified, and shall indemnify and save harmless the City, City's engineer, and their consultants, and each of their officials, directors, officers, employees and agents, as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

Surety agrees that should it fail to take over and diligently perform the agreement upon Principal's default after notice and within the time specified in the agreement, Surety will promptly on demand deposit with City such amount as City may reasonably estimate as the cost of completing all of Principal's obligations. Surety's obligation for payment herein shall exist, notwithstanding any controversy between Principal and City regarding Principal's failure under the agreement, and payment by Surety should be conclusively presumed between the parties herein to relieve, as demanded, Surety's obligations herein and shall be deemed proper payment as between Principal and Surety.

Surety agrees that no change, extension of time, alteration, or addition to the terms of the agreement, or the work to be performed thereunder or the plans and specifications, or any matters unknown to Surety which may affect Surety's risk shall in any wise affect its obligation on this bond, and it does thereby waive notice thereof.

Principal and Surety agree that if the City is required to engage the services of an attorney in connection with the enforcement of this bond, each shall pay City's reasonable attorneys' fees incurred, with or without suit, in addition to the above sum.

Executed this _____ day of _____, _____.

Seal of Corporation _____

By: _____
Authorized Representative of Principal

Title: _____

(ATTACH ACKNOWLEDGEMENT OF AUTHORIZED REPRESENTATIVES)

Any claims under this bond may be addressed to: (check one)

Surety's agent for service
of process in California:

() _____
[name of surety company]

Name

Street Number

Street Number

City and State

City and State

Telephone Number

Telephone Number

By: _____
Attorney in Fact or other
Representative

(ATTACH ACKNOWLEDGEMENT OF AUTHORIZED REPRESENTATIVE)

Furnish the name, address and phone number of the company agent as well as the surety company.

Sureties must be authorized to do business in and have an agent for service of process in California and be on the accredited list of the United States Treasury Department (their bonds will be limited to such amounts as would be acceptable to the Treasury Department), and otherwise meet the requirements of the agreement.

EXHIBIT "A-3"

PAYMENT BOND

We, _____, a California corporation, as Principal, and _____, as Surety, jointly and severally, firmly bind ourselves, our heirs, representatives, successors and assigns, as set forth herein, to the City of Grand Terrace ("City") and those for whose benefit this bond insures in the sum of **Five Hundred and Thirty Two Thousand Dollars and No Cents (\$532,000.00)**. City and Principal have entered into an agreement, or are about to enter into the agreement attached hereto and incorporated by reference herein, for completion of public works for the property(ies) referenced in said agreement. Surety herein approves of the terms and conditions of said agreement and binds itself to faithfully perform the obligations of Principal therein if Principal fails to so perform. Surety acknowledges that the agreement herein referenced shall be that document as executed by City and Principal. If Principal or any of Principal's contractors or subcontractors, fails to pay any of the persons named in Section 9000 *et seq.* of the California Civil Code employed in the performance of the agreement for materials furnished or for labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, then Surety shall pay the same in an amount not exceeding the sum specified above, and also shall pay, in case suit is brought upon this bond, such reasonable attorneys' fees as shall be fixed by the court.

Surety agrees that it shall pay the amounts due the persons above named and diligently perform the agreement upon Principal's default after notice and within the time specified in the agreement. If Surety fails to perform within the times specified in the agreement, Surety shall promptly on demand deposit with City such amount as City may reasonably estimate as the cost of completing all of Principal's obligations. Surety's obligation for payment herein shall extend, notwithstanding any controversy between Principal and City regarding Principal's failure under the agreement. Principal and Surety agree that any payment by Surety pursuant to this paragraph should be conclusively presumed between the Parties herein to relieve, as demanded, Surety's obligation herein and shall be deemed proper payment as between Principal and Surety.

This bond shall insure to the benefit of any and all of the persons named in Section 9000 *et seq.* of the California Civil Code so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety agrees that no change, extension of time, alteration, or addition to the terms of the agreement, or the work to be performed thereunder, or the plans and specifications, or any matters unknown to Surety which might affect Surety's risk, shall in any way affect its obligation on this bond, and it does hereby waive notice thereof.

Principal and Surety agree that should City become a party to any action on this bond, that each will also pay City's reasonable attorneys' fees incurred therein in addition to the above sums.

Executed this _____ day of _____, _____.

Seal of Corporation _____

By: _____
Authorized Representative of Principal

Title: _____

(ATTACH ACKNOWLEDGEMENT OF AUTHORIZED REPRESENTATIVES)

Any claims under this bond may be addressed to: (check one)

Surety's agent for service
of process in California:

() _____
[name of surety]

Name

Street Number

Street Number

City and State

City and State

Telephone Number

Telephone Number

By: _____
Attorney in Fact or other
Representative

(ATTACH ACKNOWLEDGEMENT OF AUTHORIZED REPRESENTATIVE)

Furnish the name, address and phone number of the company agent as well as the surety company.

Sureties must be authorized to do business in and have an agent for service of process in California and be on the accredited list of the United States Treasury Department (their bonds will be limited to such amounts as would be acceptable to the Treasury Department), and otherwise meet the requirements of the agreement.

EXHIBIT “B”

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

NONE

EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. Contractor shall perform all work at the rates on the Bid Sheet submitted as part of Contractor's Proposal, and listed below:

PROPOSAL

BIDDING SCHEDULE

PAVEMENT REHABILITATION ON BRENTWOOD STREET FROM MT VERNON AVE TO
PRESTON ST AND GRAND TERRACE ROAD FROM MT VERNON AVE TO TERRACE CT AND
MICHIGAN STREET FROM DE BERRY ST TO VAN BUREN ST

(CIP 2025-2026)

PAVEMENT REHABILITATION, SIGNING AND STRIPING

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9	Remove/Replace PCC Sidewalk	S.F.	154	50	7,700
10	8" PCC Curb & Gutter	L.F.	0	0	0
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TOTAL BID \$ 532,000

Five hundred thirty two thousand dollars even
Total Bid Costs Written in Words

NOTE: The unit price must be written in words and also shown in figures. The total price must be extended for each item of work and the total of all items inserted in the space provided.

The project's Notice of Inviting Bid, Bid Schedule, Addenda, Plan Holder's List, and Bid Results will be posted on the City's website at <https://www.grandterrace-ca.gov>.

- II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.
- III. Within the budgeted amounts for each item on the Bid Sheet, and with the approval of the Contract Officer, funds may be shifted from one item's sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Work is approved per Section 1.11.
- IV. City will compensate Contractor for the Services performed upon submission of a valid invoice. Each invoice is to include:
 - A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - B. Line items for all materials and equipment properly charged to the Services.
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- V. The total compensation for the Services shall not exceed \$532,000.00 as provided in Section 2.1 of this Agreement.

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I.** Contractor shall perform all work timely, including the work described in Exhibit A within 30 working days from the date of Notice to Proceed issued by the Contract Officer.(the “Schedule”). Contractor shall complete all work consistent with City requirements within 30 working days of the Notice to Proceed, but in no event shall the work extend beyond **July 23, 2025**.
- II.** The Contract Officer may approve extensions for performance of the services beyond 90 days in accordance with Section 3.2.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Amendment No. 2 to Hirsch & Associates to Amended and Restated Agreement

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION:

1. Approve Amendment No. 2 with Hirsch & Associates for an additional \$141,440 to continue planning and construction support services for the completion of the Blue Mountain Trail Project, with a term ending June 30, 2028.
2. Direct the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

2030 VISION STATEMENT:

This item supports Goal #4 - Develop and Implement Successful Partnerships through the design and planning of the Blue Mountain Trail and Trailhead.

BACKGROUND:

The City owns property at the northeast corner of Van Buren Avenue and Observation Drive. The land was designated for public use and includes a 20-acre parcel intended for future development as a public trail.

To support this vision, the City was awarded a \$1,274,000 California Natural Resources Agency (CNRA) grant to construct the Blue Mountain Nature Trail and Trailhead, which would provide legal access for hikers to reach Blue Mountain. Currently, access is only permitted during the annual Blue Mountain Hike. The proposed trail is being designed to connect to an existing access road located on private property.

Progress on the project has been slow, as delays caused by the COVID-19 pandemic impacted engagement with property owners and the broader community, leaving several tasks incomplete. However, funds remain available within the contract to complete the remaining work.

As of now, the City has expended \$130,403.08.

DISCUSSION:

Although the CNRA grant was originally awarded solely for land acquisition, CNRA has since authorized the City to utilize the remaining funds toward the design and construction of the Blue

Mountain Nature Trail project.

The City will proceed with the acquisition of three parcels, and the remaining grant funds will be allocated toward the design and planning development through Hirsch & Associates. Once the final engineering plans are completed, the project will be publicly bid for construction.

The original Request for Proposals (RFP) with Hirsch & Associates included construction support services. However, this component was removed in a prior amendment. Staff now recommends reinstating construction support to advance the project effectively and ensure proper oversight during implementation.

The proposed Amendment No. 2 with Hirsch & Associates, for an additional \$141,440, will increase the contract sum to a total of \$271,843.08. This amendment will extend the planning and construction support services through June 30, 2028, to ensure the completion of the project.

Under the terms of the CNRA grant, the City has until March 2029 to complete the trail.

ENVIRONMENTAL IMPACT:

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) and will not have a significant effect on the environment.

FISCAL IMPACT:

The proposed amendment in the amount of \$141,440 will be charged to Account No. 49-473-700-000. Sufficient grant funds are available to cover this expense. Any previously expended funds, as well as funds related to this contract, will be recovered through the grant and will impact the total amount of grant funding available for construction.

**AMENDMENT NO. 2
TO THE AMENDED AND RESTATED AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND HIRSCH & ASSOCIATES, INC**

This AMENDMENT NO. 2 TO THE AMENDED AND RESTATED AGREEMENT FOR CONTRACT SERVICES BETWEEN THE CITY OF GRAND TERRACE AND HIRSCH & ASSOCIATES, INC (“Amendment No. 2”) by and between the **CITY OF GRAND TERRACE** (“City”) and **HIRSCH & ASSOCIATES, INC**, a California corporation (“Consultant”) is effective as of the _____ day of _____, 2025.

RECITALS

A. In 2019, City sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Grand Terrace Municipal Code, City entered into that certain agreement with Consultant for the services design, engineering, and construction management of the Blue Mountain Trailhead and Trail Project (“Project”), defined and described particularly in Article 1 of such agreement and dated February 12, 2019, in the amount of \$145,510.00 (“Original Agreement”).

D. Though certain services under the Original Agreement were commenced and completed by Consultant, the COVID-19 pandemic of 2020 and subsequent pandemic measures (such as social distancing and limitations on meetings in groups greater than 10) has delayed the completion of services in the Original Agreement.

E. Thereafter, on February 9, 2021, City and Consultant entered into an Amended and Restated Agreement for Contract Services (“Agreement”) with Consultant to amend and restate the Original Agreement in its entirety and allow the City to utilize the Consultant to complete the services in the Original Agreement.

F. On July 26, 2022, City and Consultant entered into Amendment No. 1 to the Agreement (“Amendment No. 1”) to increase the total compensation under the Agreement by \$72,876.00, amend the Scope of Services to include certain services relating to the study of the “Sigdestad property” (Assessor’s Parcel No. 1178-061-01-0000) with an additional compensation increase of \$39,995.00, and further increase the total compensation under the Agreement by \$112,971.00, bringing the total to \$258,381.00.

G. On June 30, 2024, the term of the Agreement expired pursuant to Amendment No. 1, and work on the Project stalled. It is in the City’s best interest to continue utilizing Consultant to complete the services of the Agreement, as Consultant has substantial knowledge and information invested in the Project. Sourcing a new consultant would likely increase City costs and would hinder the progress of the Project due to the time and resources required to bring on a new Consultant.

H. Based on the forgoing, the City wishes to restart and amend the Agreement with the Consultant to proceed and complete the services to phase the Project and allow for future extensions of the trail to be constructed as funding becomes available.

I. City has expended to Consultant a total of \$130,403.08 of the Contract Sum over the course of the Project to date. The Consultant has agreed to complete the services under this Amendment No. 2, pursuant to a revised scope of work dated January 17, 2025, for an additional \$141,440.00, bringing the total Contract Sum to \$271,843.08.

J. The City and Consultant now further desire to enter into this Amendment No. 2 to allow the City to utilize the Consultant to complete the services as provided herein, implementing the previous work and study for trail location access up the slope in this final design phase, and to extend the term of the Agreements such that it will expire on June 30, 2028.

TERMS

1. Contract Amendments. The Agreement is amended as provided herein:

1.1 Section 2.1(a) is hereby amended as follows:

“Subject to any limitation set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, under the Original Agreement and this Agreement, **inclusive of its Amendments**, shall not exceed **\$271,843.08** (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.”

1.2 Section 2.1(b) is hereby amended as follows:

“The Consultant acknowledges and agrees that the City has compensated Consultant in the amount of \$127,393.00 pursuant to the Original Agreement for the tasks marked as “**(COMPLETE)**” as shown in Exhibit “A”. Consultant agrees that Consultant shall only be compensated for the completion of tasks marked as “**(INCOMPLETE)**” as provided in Exhibit “A”, but in no event shall compensation exceed \$141,440.00 for tasks marked as “**(INCOMPLETE)**” as set forth above.”

1.3 Exhibit “A” is hereby amended and replaced in its entirety with Exhibit “A”, attached hereto.

1.4 Section V of Exhibit “C” shall be amended as follows:

“The total compensation for the Services under the Original Agreement and this Agreement shall not exceed \$271,843.08 as provided in Section 2.1 of this Agreement.”

1.5 Exhibit “C-1” is hereby amended and replaced in its entirety with Exhibit “C-1” attached hereto.

1.6 Section III of Exhibit “D” is hereby amended as follows:

“Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect from and after the Effective Date of this Agreement until June 30, 2028 (“Term”).”

2. Continuing Effect of Agreement. Except as amended by this Amendment No. 2, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment No. 2, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by Amendment No. 2.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 2, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 2, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 2.

5. Authority. The persons executing this Amendment No. 2 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 2 on behalf of said party, (iii) by so executing this Amendment No. 2, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment No. 2 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. ____ on the date and year first-above written.

CITY:

CITY OF GRAND TERRACE,
a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

Hirsch & Associates, Inc,
a California corporation

By:_____

Name: Charles Foley
Title: President

Address: 2221 East Winston Road, Suite A
Anaheim, California, 92806

NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY .

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL

☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED
ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED
ABOVE

EXHIBIT “A”
SCOPE OF SERVICES

- I. Consultant has performed certain Tasks in this Exhibit “A” pursuant to the Original Agreement and Amendment No. 1; however, due to the delays, certain Tasks are incomplete. As provided below, Tasks that have been complete are marked as “(COMPLETE)” and Tasks that have not been completed are marked “(INCOMPLETE)”. For a Task marked “(INCOMPLETE)” and only has a certain percentage remaining, then the approximate remaining percentage incomplete will also be shown below.**

Consultant will perform the following Services:

SERVICES

- A. Consultant shall provide the following Services (detailed further in the phases provided below):**
- i. (INCOMPLETE)** Consultant shall provide the design, engineering and construction management of the Blue Mountain Trailhead and Trail Project, which includes a new Trail Head, Parking Lot, Trail and identified amenities, located at the site depicted in **Exhibit “A-1”** (“Project”).
 - ii. (COMPLETE)** Contractor shall perform all the necessary professional landscape architectural and engineering services in a timely and professional manner consistent with the standards of the profession.
 - iii. (INCOMPLETE)** Contractor shall provide overall Project management, Project scheduling and consult with all parties and team members throughout the entire length of the project.
 - iv. (COMPLETE)** Contractor shall also meet with City Staff, and others as directed to establish communications and formulate working relationships.
 - v. (INCOMPLETE)** Contractor shall participate in consultations and conferences with City Staff and other agencies having jurisdiction over the Project that may be necessary for the completion of the Project. Such consultations and conferences shall continue throughout the project duration. Communication will include a combination of email, telephone and in person meetings at City Hall and/or project site.
 - vi. (INCOMPLETE)** Contractor shall provide advice and assistance in determining the feasibility of the Project, analyze the type and quality of materials and construction methods to be selected, and other initial planning matters.

- vii. **(INCOMPLETE)** Contractor shall use its best judgment in determining the balance between the size, type and quality of construction to achieve a satisfactory solution to maintain the City's stated budget.

PHASE I

B. Task 1 - Administration

- i. **(INCOMPLETE)** This task includes the project management services including the requirements for meeting documentation, project schedules, progress reports, invoicing, and administration of Consultant work.
- ii. **(COMPLETE)** Consultant shall coordinate with the City to schedule a kickoff within 3 working days of the Task Order/Notice to proceed to review Project objectives and requirements, receive initial information from City/Utilities, establish the communication plan and protocols, baseline delivery schedule, and address other issues as necessary to ensure successful Project initiation.
- iii. **(INCOMPLETE)** Consultant Deliverables: Project Schedule, Progress Reports, Meeting Notes and invoices.
- iv. **(INCOMPLETE)** Consultant shall manage the Project tasks as provided in this Exhibit in order to complete the design work within the approved Project schedule milestone dates as provided in the Schedule of Performance.

C. Task 2 - Preliminary Design

- i. **(COMPLETE)** Consultant shall review existing data, such as as-builts, pertaining to the Project.
- ii. Survey – Consultant shall conduct a survey of the Project site as follows:
 - 1. **(COMPLETE)** AREA - This Project covers the Blue Mountain Trail site in Grand Terrace, California. The mapping limits are provided in **Exhibit "A-1."**
 - 2. **(COMPLETE)** GROUND CONTROL - Consultant will acquire the necessary aerial ground control. The horizontal control will be tied into the street monumentation. The vertical control will be based upon Mean Sea Level datum tied to local government benchmarks.

A total of seven (7) aerial control points will be required. See the attached imagery in **Exhibit "A-1"** for the control point layout.

3. **(COMPLETE)** AERIAL PHOTOGRAPHY - The aerial photography will consist of one (1) flight line and four (4) exposures at an approximate scale of 1"= 300'. The aerial photography will be flown with a precision aerial mapping camera using black and white film.
4. **(COMPLETE)** TOPOGRAPHIC MAPPING - The topographic mapping will be prepared at a scale of 1"= 40' showing a one (1) foot contour interval in the southwest corner of the site. The mapping for the remainder of the site will be delivered at 1"= 40' scale with a two (2) foot contour interval.

The aerial mapping will be field completed on the southwest portion of the site only, showing the utilities, sidewalks, street curb and gutters on both sides of Observation Street and the street centerline, fences, walls, trails, parking area and other planimetric details that are not visible on the aerial photography.

Delivery will include a digital black and white orthophoto in the form of a JPEG file suitable for viewing at a scale of 1"= 20'. The aerial mapping will meet or exceed National Map Accuracy Standards for a 1"= 40' scale map with a one (1) foot contour interval.

5. SURVEY DELIVERY ITEMS

(COMPLETE) Item 1: One (1) set of uncontrolled pdf files of the aerial photography scans.

(COMPLETE) Item 2: One (1) set of control data and field completion used on the Project.

(COMPLETE) Item 3: One (1) set of digital (AutoCAD) data of the above described DTM and mapping data

(INCOMPLETE) Item 4: One (1) black and white digital orthophoto in the form of a JPEG file. Consultant shall carry out the following tasks in creating such orthophoto:

- (i) **(COMPLETE)** Photo document existing conditions
- (ii) **(COMPLETE)** Conduct Site Analysis to identify opportunities and constraints of the Project site.
- (iii) **(COMPLETE)** Obtain and review preliminary utility information and prepare and send utility notifications to all utility companies known to operate within the Project area to identify the type and locations of utilities for the Project.

(iv) **(COMPLETE)** Develop provisions to accommodate existing and new utility facilities (e.g., maintained in place, removed, adjusted, abandoned, or installed).

(v) **(COMPLETE)** Effectively identify utilities locations and resolve conflicts on proposed plans to keep Project on schedule. Consultant shall prepare Utility Conflict Sheet to summarize conflict and resolution.

(vi) **(COMPLETE)** Notify responsible utility owner of necessary facility relocation or adjustment.

(vii) **(COMPLETE)** Ensure significant utility impacts shall be reflected in the Project schedule and coordinated to not conflict with the design work.

(viii) **(COMPLETE)** Prepare a Geotechnical Report as follows:

- Review soils, geologic data and maps
- Visit park site to observe existing conditions and Hand Auger and collect soil samples as well as perform infiltration test.
- Field engineer to log excavation and collect soil samples
- Laboratory testing of select soils samples for moisture density, sieve analysis, sand equivalents and corrosion potential (pH, resistivity, chlorides and water soluble sulfates).

(ix) **(COMPLETE)** Conduct first community presentation to introduce Project scope, schedule and process. Listen to concerns and comments the public has related to the Project. City provided design concepts as well as Google Earth images and site photos will be used to describe the Project.

(x) **(COMPLETE)** Prepare Conceptual Design plan utilizing the formal survey as the base sheet. The provided preliminary design shall be the basis of the conceptual design. Verify the preliminary plan horizontal and vertical control is achievable. Provide design alternates as needed to site the proposed required amenities is relationship with existing grades and ADA accessible code requirements.

- (xi) **(INCOMPLETE)** Obtain restroom design proposals from (3) manufacturers for review and comparison.
 - (xii) **(INCOMPLETE)** Obtain bridge design proposals from (2) manufacturers for review and comparison.
 - (xiii) **(INCOMPLETE)** Obtain manufacturer options for solar lighting, hydration station, fencing, tables and chairs, parking lot materials, trail materials, landscape plantings and irrigation equipment/materials.
 - (xiv) **(INCOMPLETE)** Prepare preliminary construction cost estimate.
 - (xv) **(INCOMPLETE)** Meet with City Staff to review design concept and estimate. Revise as needed based on input received.
 - (xvi) **(INCOMPLETE)** Provide design boards of concepts and amenities to present to the community at second meeting for review and comment. Include digital presentation of concepts and renderings.
 - (xvii) **(INCOMPLETE)** From input received, revise design concepts as necessary.
 - (xviii) **(INCOMPLETE)** Provide design boards of revised concepts to City Staff for review and comment.
 - (xvix) **(INCOMPLETE)** Prepare final design concepts and cost estimate intended to be presented to City Council.
 - (xx) **(INCOMPLETE)** Attend City Council Meeting to present the revised/selected concept/estimate to finalize aesthetic design choice and receive approval.
 - (xxi) **(INCOMPLETE)** Conduct a Soils/Geotechnical Report and Infiltration test
 - (xxii) **(INCOMPLETE)** Review existing Project site power plans and determine if existing power is available to power splash pad system.
- iii. **(INCOMPLETE)** Task 2.A - Consultant shall develop design alternates/concepts for a trail marker at the terminus of the upper trail located at the peak. Consultant shall work with City Staff, Community Members and Council to identify commonalities in interests for the feature.

Consultant shall prepare design exhibits featuring source images of inspiration, form features and scale. Such exhibits shall be combination of 2 dimensional plan and elevation views as well as 3D sketch up model.

- iv. **(COMPLETE)** Consultant Deliverables: Preliminary Design Concept Drawings and estimate (AutoCAD version compatible with City and PDF). Renderings of the design concept and amenities exhibit featuring photos of proposed materials (PowerPoint and Photoshop). Site Survey (AutoCAD version compatible with City and PDF). Preliminary Grading Plan (AutoCAD version compatible with City and PDF). Preliminary Wet/Dry Utility Plan (AutoCAD version compatible with City and PDF). Soils/Geotechnical and Infiltration Test Report. Supporting Documentation

D. (INCOMPLETE) Task 3 - Construction Documentation

Consultant shall develop and assemble Contract Construction Bid Documents ("Bid Documents") for advertisement and bidding the Project for construction consistent with applicable law and regulations, including local and California law and regulations. Plans shall depict all property/right-of-way lines and all existing improvements such as, but not limited to, curb and gutter, curb returns, cross gutters, sidewalk, access, and utilities as shown the existing topographic map. Any removals and possible relocations shall be shown on a demolition plan. The Bid Documents shall in include all necessary Civil, Landscaping and Structural (Solar Light Pole Footings only) Construction Plans and supporting documentation for a complete biddable set. Furthermore, Consultant shall provide Technical Specifications and Cost Estimates associated with the design plans. All Bid Documents shall be prepared and stamped by a California licensed Landscape Architect and Professional Engineer with the appropriate license per each disciplines of work. The design shall comply with all latest applicable codes, guidelines, and standards with respect to each design category (i.e. mechanical, plumbing, structural, civil, building, etc.). Plans shall be drawn at 1"=20' and include the following:

1. Title/Index Sheet;
2. Demolition/Protection Plan;
3. Erosion Control Plan;
4. Grading and Drainage Plans, Calculations, Details and Notes;
5. Construction Plans, Details, Notes (Including Horizontal Control);
6. WQMP – Water Quality Management Plan (SWPPP/NOI is excluded as not required, project site is less than 1 acre);
7. Wet Utility Plan, Details and Notes;

8. Photometric Plan;
 9. Landscape Plan, Details and Notes;
 10. Irrigation Plans, Calculations Details and Notes;
 11. Technical Specifications – City shall prepare the boiler plate specifications; and
 12. Probable Construction Cost Estimates with back-up/support information on quantities and unit prices.
- ii. The Plan format, standard construction notes, and sheet borders shall be commensurate with City standards. Deliverables include:
1. 50%, 90% Full Set Construction Set Drawings (AutoCAD version compatible with City and PDF);
 2. 50%, 90% Contract Technical Specifications (Word and PDF);
 3. 50%, 90% Engineers Estimate (Excel and PDF); and
 4. Supporting Design Documentation/Calculations (Word, Excel, and PDF). Deliverables include:
 - a. Construction Drawings and estimate (AutoCAD version compatible with City and digital PDF); and
 - b. Meeting Minutes and Supporting Documentation.
- iii. Final Design Deliverable Format from Plan Check Review Comment for Final Bid Package Submittal (100% PS&E):
1. Full Construction Bid Ready Plans (1 PDF file for City duplication and printing and Autocad files)
 2. Specifications (PDF and DOC file formats)
 3. Project Cost Estimate (Excel file, and PDF)
 4. All Supporting Documents (PDF and/or DOC)

E. (INCOMPLETE) Task 4 – Bidding:

- i. Consultant team shall be available throughout the advertisement and bidding period to provide technical assistance to the City. This requires assistance with bidder's inquiries, preparation of addenda, and attendance at the pre-bid field meeting. Bidding procedures shall be the responsibility of the City. Deliverables include:

1. Pre-bid meeting notes; and
2. Comments on requests for information, plan/specification revisions, and addendums to bid.

F. (INCOMPLETE) Task 5 – Construction Support :

- i. Prepare the Pre-Construction meeting agenda for the City’s review. The following items will be reviewed at the Pre-Construction meeting:
 1. Plans, Specifications and Inspection Process;
 2. Submittals and the approval process;
 3. Agreed communication;
 4. Contract Change Order (CCO) process; and
 5. Final project walkthrough, punch list items.
- ii. Conduct preconstruction meeting with City and Contractor. Prepare meeting minutes and distribute to all parties.
- iii. Coordinate with City project manager, City staff and inspector as necessary during construction.
- iv. Review contractor prepared construction schedule and verify adherence during the life of the project.
- v. Update schedule and progress verification as field operations continue and change original schedule.
- vi. Review and approve product submittals and shop drawings in accordance with construction documents.
- vii. Attend on-site project meetings to review work of the contractor. Prepare written reports.
- viii. Coordinate with all Parties by telephone, fax and e-mail as necessary.
- ix. Respond to contractor’s Request for Information (RFI’s) and other questions during project construction.
- x. Conduct punch walk and identify items of correction.
- xi. Conduct final inspection for project sign off and obtain contractor provided as built.

G. (INCOMPLETE) Labor Compliance:

- i. The Consultant will apply their extensive working knowledge of CDBG-funded and Federal, and Section 3 compliance regulations to ensure compliance with federal, state, and local labor compliance requirements.
- ii. HAI labor compliance consulting services tasks will include the following:
 1. Provide review and compliance with the following laws and regulations:
 - a. California Labor Code Sections 1774-1775, 1776, & 1777.5;
 - b. Senate Bill 854 (SB 854) and Assembly Bill 219 (AB 219) Requirements;
 - c. Federal Davis Bacon (DOL) and Department of Industrial Relations (DIR);
 - d. All documents mandated by State of California, Federal Department of Labor, City of Los Alamitos and by the contractor;
 - e. Section 3 monitoring completing the Summary Report (60002 form);
 - f. HUD reporting (2516 form) Contractor Subcontractor Activity Report; and
 - g. HUD 5.7 Enforcement Report.
- iii. Schedule and conduct pre-construction meeting with contractor and subcontractors to review labor compliance regulations (EEO, Section 3, Prevailing Wage, and other applicable labor compliance information). Prepare necessary documentation to be distributed at such meetings.
- iv. Monitor prime and subcontractor(s) payment of applicable prevailing wage rates, payment of training funds, and ensure employment of properly registered apprentices and that appropriate apprenticeship ratio is being met.
- v. Monitor construction sites by performing on-site review of postings (to ensure compliance with EEO posting requirements) and interviews for verification of proper payments of prevailing wage rates and work classification.
- vi. Provide discrepancy notices no less than (1) once per month on all items missing, incomplete, or incorrect. Follow-up to ensure compliance.
- vii. Provide a recommendation to withhold contract payments and imposing penalties for noncompliance, as applicable.

- viii. Identify potential labor compliance claim issues before they arise and investigate probable violation and complaints of underpayments. Assist prime and subcontractor(s) with the completion of required labor compliance documentation and wage determination as necessary or required.
- ix. Assist with Public Works/Prevailing Wage questions, issues, and research as needed or required.

H. (INCOMPLETE) FINAL DESIGN DELIVERABLE FORMAT

Final Bid Package Submittal (100% PS&E):

- i. Full Construction Bid Ready Plans (1 PDF file for City duplication and printing and Autocad files)
- ii. Specifications (PDF and DOC file formats)
- iii. Project Cost Estimate (Excel file, and PDF)
- iv. All Supporting Documents(PDF and/or DOC)

I. City Responsibilities

- i. The City shall provide the following to assist the Consultant with the Project:
- ii. Existing Utility as-builts for the adjacent streets and utilities.
- iii. Sample contract specifications package (boilerplate)
- iv. CEQA Environmental Document
- v. Pay for all printing, mailing, overnight transmittal at cost.
- vi. In addition, the City shall be responsible for advertising the Project, holding a pre bid meeting, receiving contractors' bids, printing plans and specs for bidding purposes, conducting the bid opening, preparing the Notice of Award, scheduling and conducting the pre-construction meeting, preparing and distributing the pre- construction meeting agenda and minutes, and construction management and oversight.
- vii. The City shall provide all existing documentation it has on file for the Project that may include existing utility locations and depths, survey/boundary information, copies of easement documentation, list of agencies having jurisdiction over the Project, and the contact person for the agency, street improvement plans and storm drain plans. Consultant shall make a good-faith effort to verify the accuracy of such information and utilize it in the preparation of the final working drawings and specifications.

Consultant acknowledges and agrees that the City has completed this requirement.

- II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:**
 - A. In addition to the tangible work products provided above, Consultant shall provide such other tangible work products as may be required by the City from time to time.**
- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City appraised of the status of performance by delivering the following status reports:**
 - A. In addition to the status reports provided above, Consultant shall provide such other status reports as may be required by the City from time to time.**
- IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.**
- V. All of the above described documents and additional reports, plans, and specifications will be organized in accordance with the City requirements. They will be boxed in storage boxes and submitted to the City as permanent City records.**
- VI. Consultant will utilize the following personnel to accomplish the Services:**
 - A. Charles E. Foley, Vice President & Director of Projects**

EXHIBIT C-1

PROFESSIONAL FEE SCHEDULE

The professional fees for services stated include all costs for general overhead, profit, and telephone, clerical, travel and incidental expenses not separately requested by the City.

Blue Mountain Trail

Scope of Work - Phase I

Item

Administration	HAI	Blue Peak	GCAP	Landmark	Totals
Clerical 24hrs @ \$75	\$1,800.00				\$1,800.00
Landscape Architect 40hrs @ \$185	\$7,400.00				<u>\$7,400.00</u>
					\$9,200.00
Construction Documents					
WQMP		\$6,200.00			\$6,200.00
Civil Grading Review 12hrs @ \$250		\$2,700.00			\$2,700.00
Structural Engineering				\$8,000.00	\$8,000.00
Technical Staff 600hrs @ \$95	\$57,000.00				\$57,000.00
Landscape Architect 80hrs @ \$185	\$14,800.00				<u>\$14,800.00</u>
					\$88,700.00
Bidding					
Landscape Architect 8hrs @ \$185	\$1,200.00				\$1,200.00
Pre-Bid Meeting 1 @ \$750	\$750.00				<u>\$750.00</u>
					\$1,950.00
Sub Total	\$82,950.00	\$8,900.00		\$8,000.00	\$99,850.00
OPTIONAL					
Construction Support					
Landscape Architect 24hrs @ \$185	\$4,440.00				\$4,440.00
Project Manager 80@\$105	\$8,400.00				\$8,400.00
Construction Meetings 20@ \$750	\$15,000.00				<u>\$15,000.00</u>
					\$27,840.00
Labor Compliance					
Manager 30hrs @ \$165			\$4,950.00		\$4,950.00
Analyst 80hrs @ \$110			\$8,800.00		<u>\$8,800.00</u>
					\$13,750.00
Sub Total	\$27,840.00	\$0.00	\$13,750.00	\$0.00	\$41,590.00
Grand Total	\$110,790.00	\$8,900.00	\$13,750.00	\$8,000.00	\$141,440.00

Professional Fees

Professional fees for services stated are based upon the scope of work and include all costs for general overhead, profit, telephone, clerical, travel and incidental expenses. Fees shall be valid for the life of the contract.

Reimbursement Expenses

All printing, blueprinting, computer plotting, computer scans, photographic reproductions and special overnight deliveries, other than US Postal Service, requested by the City shall be paid as a direct reimbursable expense plus 10% to Hirsch & Associates.

HAI

Principal Landscape Architect	\$185
Project Manager	\$105
Designer	\$95
Construction Meetings	\$750/ea
Reproduction / Printing	Cost Plus 10%

Blue Peak

Civil Engineer	\$225/hr
Design Engineer	\$190/hr
Drafter	\$90/hr

Landmark

Structural Engineer	\$235/hr
---------------------	----------

GCap

Labor Compliance Manager	\$165
Labor Compliance Supervisor	\$125
Analyst	\$110



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Award Contract for NPDES Support Services

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION: Award the contract for NPDES Support Services to Lynn Merrill & Associates, Inc. for a five-year term in the annual amount of \$8,000, and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

2030 VISION STATEMENT:

This staff report supports City Council Goal #1: Ensuring Our Fiscal Viability and Goal #2: Maintain Public Safety by ensuring ongoing compliance with mandated stormwater regulations and water quality management practices through the cost-effective use of contracted services.

BACKGROUND:

The City of Grand Terrace utilizes contracted services to support compliance with the National Pollutant Discharge Elimination System (NPDES) and National Discharge Elimination Permit requirements. On September 27, 2022, the City entered into a one-year agreement not to exceed \$25,000 with Lynn Merrill and Associates, Inc. to provide these services.

On August 15, 2023, the City received a follow-up proposal from Lynn Merrill and Associates, Inc. for continued NPDES support services, with costs not to exceed \$8,000 annually. The scope of services also included assistance in reviewing and approving Water Quality Management Plans (WQMPs) — supporting developers through the preliminary, redline, and final approval process at the City's direction.

DISCUSSION:

To ensure competitive pricing and long-term service continuity, staff issued a Request for Proposals (RFP) for NPDES support services on March 28, 2025, with the bid period closing on April 17, 2025. Two proposals were received:

- Lynn Merrill & Associates, Inc. – \$8,000 per year (5-year term)
- CASC Engineering and Consulting, Inc. – \$14,825 per year (5-year term)

Lynn Merrill & Associates, Inc. submitted the lowest responsive and responsible proposal and is the City's current provider, with demonstrated knowledge of the City's NPDES requirements and WQMP processing procedures. Continuing with the same firm also reduces administrative burden and ensures continuity in service delivery.

The existing contract expires on June 30, 2025, and the new five-year contract will commence on July 1, 2025, ensuring a seamless transition between agreements.

ENVIRONMENTAL IMPACT:

The proposed action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as it involves administrative activities of government that do not result in a direct or reasonably foreseeable physical change in the environment. Therefore, no environmental review is required.

FISCAL IMPACT:

NPDES support services will be funded through Account No. 10-625-255-000 and included in each year's budget. This contract award reflects the lowest bid received and ensures ongoing compliance with regulatory requirements at a lower annual cost compared to alternative proposals.

CITY OF GRAND TERRACE

BID RESULTS SUMMARY & NOTICE OF AWARD

Bid Number: NSS2025

Title: NPDES Support Services

Bid Close Date: April 17, 2025, 12:00 PM

Submission Platforms: Email and Public Purchase

Total Proposals Received: 2

Bid Summary

Vendor	Annual Cost
Lynn Merrill & Associates, Inc. (Awarded)	\$8,000
CASC Engineering and Consulting, Inc.	\$14,825

Notice of Award

Following review of all proposals, the City of Grand Terrace intends to award the contract for NPDES Support Services to Lynn Merrill & Associates, Inc., the lowest responsive and responsible bidder, at an annual cost of \$8,000.

Final award is contingent upon execution of the agreement and any remaining administrative requirements.

**AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE
CITY OF GRAND TERRACE AND LYNN MERRILL AND ASSOCIATES,
INC.
FOR
NPDES SUPPORT SERVICES**

This “AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND LYNN MERRILL AND ASSOCIATES, INC. FOR NPDES SUPPORT SERVICES” (herein “Agreement”) is made and entered into this 1st day of July 2025, by and between the CITY OF GRAND TERRACE, a California municipal corporation (“City”) and LYNN MERRILL AND ASSOCIATES, INC., a California stock corporation (herein “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

NOW, THEREFORE, the Parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference, but not exceeding the maximum contract amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) (“Contract Sum”).

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. By submitting an invoice for payment under this Agreement,

Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within forty five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars (\$5,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay

notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. Lynn Merrill is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes.

4.2 Contract Officer. The City Manager, or such person as may be designated by the City Manager, is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Contract Officer").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor. Neither City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

1) Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

2) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

3) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of \$100,000 per person and \$300,000 per occurrence and property damage liability limits of \$150,000 per occurrence or (ii) combined single limit liability of \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars, and any other automobile.

4) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

5) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

6) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name City, elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against City, officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any

party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City. City reserves the right to inspect complete, certified copies of and endorsement to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of the City due to unique circumstances.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

a. Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

b. Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold City, its officers, agents, and employees harmless therefrom;

c. In the event that City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to City, its officers, agents or employees, any and all costs and expenses incurred by City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three (3) years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

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

(b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the “documents and materials”) prepared by Consultant in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 *et. seq.* and 910 *et. seq.*, in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or

different times, of any other rights or remedies for the same default or any other default by the other Party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, Consultant may terminate this Contract at any time for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where Consultant has initiated termination, Consultant 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. In the event Consultant has initiated termination, Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Consultant. If termination is due to the failure of Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of City Officers and Employees. No officer or employee of City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount, which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of

Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorney's Fees. If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts and Electronic Signatures.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf," "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be one of

the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[Signatures on the following page.]

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

LYNN MERRILL AND ASSOCIATED,
INC., a California stock corporation

By:

Name: Lynn Merrill
Title: President

By: +
Name:
Title:

Address: 33724 Fairview Drive
Redlands, California 92399
Tel: 909-217-1201

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS

MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

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TITLE(S)

TITLE OR TYPE OF DOCUMENT

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PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

I. Consultant will perform the following Services:

- A. Preparation of Annual Report** - Consultant shall, using data from the CloudCompli and City information, prepare all necessary forms and submittals, including certification letters necessary to complete and submit to the San Bernardino County ("County") NPDES Program by the statutory and established deadlines.
- B. Attendance at Monthly General Management Meetings** - Under the terms of the existing NPDES Permit, the City is required to attend 11 of the scheduled General Management Meetings. Consultant's Services shall include, but not be limited to, attending the meetings, reviewing budget and program elements, and making recommendations for action items. This includes, but is not limited to, voting on routine matters on behalf of and at the direction (where applicable) of the City that may come before the General Management Meeting. In addition, Consultant shall represent the City at all of the County's Fiscal subcommittee meetings and are currently co-chair of the Fiscal subcommittee.
- C. NPDES Permit Renewal** - Consultant's Services shall include, but not be limited to, attending special Permittee meetings held to review and discuss the elements of the proposed permit, reviewing and making proposed language changes to the Regional Board, attendance at workshops and Regional Board hearings, and other activities in support of the permit renewal. Consultant's team utilized for these Services shall include, but not be limited to, Consultant's subconsultant CG Resource Management and Engineering, Inc. and its principal Cynthia Gabaldon. Any change to this subconsultant shall require the written approval of the City.
- D. Commercial and Industrial Inspection Programs** - Consultant shall conduct the City's NPDES inspection program on both Commercial and Industrial sites that are subject to the requirements of the NPDES permit. This shall include, but not be limited to, reviewing the City's business license list for new businesses as well as past inspections, and conducting inspections of high, medium and low priority businesses as set forth in the NPDES permit (as applicable). Consultant's inspections provided hereunder will typically be no more than 50 inspections per year; however, the number varies due to the number of medium and low priority businesses that are only required to be inspected every two or five years respectively. High priority businesses are required to be inspected annually, and normally includes full-service restaurants and auto service businesses, as well as

any industrial businesses that are subject to the Industrial General Permit or have the potential for release of pollutants to the MS4 system.

- E. Inspection of Post Construction BMPS** - Under the current NPDES permit, the City is required to inspect the Post Construction Best Management Practices ("BMPs") that are set forth under within each of the applicable Water Quality Management Plans ("WQMP") that have been previously approved by the City.
 - F. WQMP** - Consultant shall assist the City in the review and approval process for Water Quality Management, including working with the developers on submission of a Preliminary WQMP, through redline process to final acceptance of the WQMP. Services hereunder shall include, but not be limited to, conducting any site inspections necessary to ensure that Best Management Practices and site configuration complies with the requirements set forth in the WQMP. Typically, Preliminary WQMP reviews and redline are a single fixed price, while Final WQMPs shall be priced based on the type of project as provided in Exhibits "C" and "C-1". WQMP review and approval includes three site inspections during the course of actual construction to ensure that the Developer is implementing the requirements of the WQMP on-site, with a final approval upon completion of each development project. Additional inspections, if required, are at the fully burdened hourly rate shown below for the Senior Consultant / Principal Engineer.
- II. As part of the Services, Consultant will prepare and deliver the such tangible work products to City as may be requested by City from time to time.**
 - IV. All work product is subject to review and acceptance by City, and must be revised by Consultant without additional charge to City until found satisfactory and accepted by City.**
 - V. Consultant will utilize the following personnel to accomplish the Services:**
 - A.** Lynn Merrill, Principal
 - B.** Paul Merrill, Senior Supervising Inspector
 - C.** Abriana Marshal, Administrative Manager
 - D.** Cynthia Gabaldon, Senior Consultant – PE (CG Resource Management and Engineering, Inc.)

EXHIBIT “B”

SPECIAL REQUIREMENTS (Superseding Contract Boilerplate)

I. Section 3.2 (Schedule of Performance) is hereby amended as follows (~~striketrough~~ represents deleted language while ***bold italics*** represents added language):

“Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit “D” and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively. ***City, at its sole discretion, may grant one (1) additional five (5) year extension of the Agreement term upon mutual written agreement of both Parties, subject to the same terms and conditions unless otherwise amended in writing.***”

II. Section 3.4 (Term) is hereby amended as follows (~~striketrough~~ represents deleted language while ***bold italics*** represents added language):

“Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding ~~one (1) year~~ ***five (5) years*** from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit “D”).”

EXHIBIT “C”

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

- A. For Sections I(A) through I(E) of Exhibit “A”, total compensation shall not exceed \$8,000 per year.
 - (i) Consultant shall be compensated for Services performed pursuant to Sections I(A) through I(C) of Exhibit “A” pursuant to the rates provided in Table 1 in Exhibit “C-1”.
 - (ii) Consultant shall be compensated for Services performed pursuant to Section I(D) of Exhibit “A” pursuant to the rates provided in Table 2 of Exhibit “C-1”.
 - (iii) Consultant shall be compensated for Services performed pursuant to Section I(E) of Exhibit “A” pursuant to the rates provided in Tables 1 and 2 of Exhibit “C-1”.
- B. For WQMP inspection services under Sections I(F) of Exhibit “A”, Consultant’s total compensation shall not exceed \$10,000 and shall be at the rates provided in Tables 3 and 4 of Exhibit “C-1”.

II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.

III. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. The total compensation for the Services shall not exceed \$8,000 per year for a total compensation of \$40,000 as provided in Section 2.1 of this Agreement.

EXHIBIT “C-1”**CONSULTANT’S RATES**Table 1

EMPLOYEE	POSITION TITLE	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED
		FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Lynn Merrill	Principal	\$ 198.46	\$ 203.92	\$ 209.53	\$ 215.29	\$ 221.21
Paul Merrill	Senior Supervising Inspector	\$ 97.92	\$ 100.61	\$ 103.38	\$ 106.22	\$ 109.14
Abriana Marshall	Administrative Manager	\$ 97.92	\$ 100.61	\$ 103.38	\$ 106.22	\$ 109.14
CONSULTANT	POSITION TITLE	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED	TOTAL FULLY BURDENED
		FY25-26	FY25-26	FY25-27	FY25-28	FY25-29
Cynthia Gabaldon	Senior Consultant - PE	\$ 198.46	\$ 203.92	\$ 209.53	\$ 215.29	\$ 221.21

Table 2

FEE SCHEDULE	NPDES PRIORITY	PRICE PER INSPECTION PER FACILITY FY25-26	PRICE PER INSPECTION PER FACILITY FY26-27	PRICE PER INSPECTION PER FACILITY FY27-28	PRICE PER INSPECTION PER FACILITY FY28-29	PRICE PER INSPECTION PER FACILITY FY29-30
INDUSTRIAL	HIGH	\$267.47	\$278.17	\$289.30	\$300.87	\$312.91
INDUSTRIAL	MEDIUM	\$213.98	\$222.54	\$231.44	\$240.70	\$250.32
INDUSTRIAL	LOW	\$106.99	\$111.27	\$115.72	\$120.35	\$125.16
RESTAURANTS (Including second FOG inspection)	HIGH	\$89.16	\$92.72	\$96.43	\$100.29	\$104.30
RESTAURANTS	MEDIUM	\$71.33	\$74.18	\$77.15	\$80.23	\$83.44
RESTAURANTS	LOW	\$53.49	\$55.63	\$57.86	\$60.17	\$62.58
COMMERCIAL	HIGH	\$77.27	\$80.36	\$83.58	\$86.92	\$90.39
COMMERCIAL (Municipal Sites)	MEDIUM	\$65.38	\$68.00	\$70.72	\$73.55	\$76.49
COMMERCIAL	LOW	\$53.49	\$55.63	\$57.86	\$60.17	\$62.58
Other - Inactive / Residential / Non-Inspection (1/2 Commercial Low)		\$26.75	\$27.82	\$28.93	\$30.09	\$31.29
FOLLOW-UP AND REINSPECTIONS		No Charge	No Charge	No Charge	No Charge	No Charge
POST CONSTRUCTION BEST MANAGEMENT PRACTICES / WQMP Inspections (Residential and Commercial)		\$178.32	\$185.45	\$192.87	\$200.58	\$208.60

Table 3

PRODUCT CATEGORY	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Preliminary WQMP	\$2,904.35	\$2,976.96	\$3,051.39	\$3,127.67	\$3,205.86
Final WQMPs					
Basic	\$3,283.18	\$3,365.26	\$3,449.39	\$3,535.63	\$3,624.02
Standard	\$4,293.39	\$4,400.73	\$4,510.74	\$4,623.51	\$4,739.10
Complex	\$7,324.02	\$7,507.12	\$7,694.80	\$7,887.17	\$8,084.35
WQMP inspections	\$1,641.59	\$1,682.63	\$1,724.70	\$1,767.81	\$1,812.01
Single Family Residential (Minimum 7 hours for Review) Additional hours at fully burdened.	\$1,084.83	\$1,111.95	\$1,139.75	\$1,168.24	\$1,197.45

Table 4

Final WQMPs	Commercial	Industrial	Residential
Basic	8 acres or less	5 acres or less	19 acres or less
Standard	Greater than 8.1 acres up to 23 acres	Greater than 5 acres up to 18 acres	Greater than 19 acres up to 50 acres
Complex	Greater than 23.1 acres	Greater than 18.1 acres	Greater than 50.1 acres
WQMP inspections	Includes 3 site visits and final approval and mileage.		

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all Services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Officer and the City Attorney’s office.**
- II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**
- III. City, in its sole discretion, may grant one (1) additional five (5) year extension of the term of this Agreement in writing.**



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Professional Services Agreement Amendment No. 1 Between the City of Grand Terrace and Lance, Soll & Lunghard, LLP for Financial Auditing Services

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: 1. Approve the Professional Services Agreement Amendment No. 1 with Lance, Soll & Lunghard, LLP for Financial Auditing Services for a term of two (2) years; and
2. Authorize the Mayor to execute the Agreement subject to the City Attorney's approval as to form.

2030 VISION STATEMENT:

This staff report supports City Council Goal #1, "Ensuring Our Fiscal Viability" through the continuous monitoring of revenue receipts and expenditure disbursements against approved budget appropriations.

BACKGROUND:

Lance, Soll & Lunghard, LLP (LSL) is a regional public accounting firm based in Brea, with other offices in the Temecula Valley, Los Angeles County and the Silicon Valley. LSL has been in business for 85 years and has a strong focus in the public sector.

The City awarded its financial auditing services agreement to LSL in August 2014 (Attachment A) for its financial auditing services and financial statement preparation. Amendment #1 (Attachment B) was approved in October 2018. This agreement was extended in 2018 for another 2 years. The original agreement was amended and restated in 2021 (Attachment C) and extended for another 2 years in 2023.

DISCUSSION:

Changing auditors is a significant undertaking and impacts City staff as new auditors must get oriented with the new organization, learn its financial policies/practices, evaluate its internal controls, and understand its financial issues. It could also impact the conduct and the delivery of the City's mandated audits. Therefore, changing auditors is generally not recommended to be done frequently.

Since the award of the contract in 2014, several additional reporting requirements have been added:

1. Grand Terrace Housing Successor Agency Annual Financial Reports; and
2. Governmental Accounting Standards Board (GASB) 68, which required different accounting and financial reporting for pensions; and
3. Governmental Accounting Standards Board (GASB) 75, which replaced Statements Nos. 45, 57 and 74; and
4. Governmental Accounting Standards Board (GASB) 87 and 96, which standardized how

organizations report long-term commitments; and
5. Governmental Accounting Standards Board (GASB) 103, which changed the Financial Reporting Model.

Due to the increased hours estimated for the additional reporting requirements in addition to rising labor costs, the fee structure from LSL will need to be increased to account for those increased costs. LSL has extended a 20% customer loyalty discount from their standard pricing structure to the City to assist in combating these rising costs.

Therefore, staff is recommending that City Council approve the Professional Services Agreement Amendment No. 1 with Lance, Soll & Lunghard, LLP for Financial Auditing Services for a term of two (2) years (Attachment D), providing a two-year extension and two options to extend the Agreement of one year each, authorizing the City Manager to execute each option to extend, and increasing the annual compensation to LSL provided in Exhibit C of the attached proposed amendment; and, further, authorize the Mayor to execute the proposed Agreement subject to approval by the City Attorney.

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

Adequate funding is included in the FY 2025-26 Adopted Budget for financial auditing services and the expenditure will be coded to account 10-140-250-000-000. Funding for subsequent years' audits will be addressed through the City's annual budget process.

AGREEMENT FOR PROFESSIONAL SERVICES Financial Auditing Services

THIS AGREEMENT ("Agreement") is made as of this 26th day of August, 2014 by and between the City of Grand Terrace ("City") and Lance, Soll & Lunghard, LLP ("Auditor")

- 1 **AUDITOR'S SERVICES** Auditor agrees to perform during the term of this Agreement, the tasks, obligations, and services set forth in the Request for Proposals (RFP) document dated June 3, 2014, attached to and incorporated into this Agreement as Exhibit "A" and Auditor's Proposal in response to said RFP dated July 7, 2014, attached to and incorporated into this Agreement as Exhibit "B"
- 2 **TERM OF AGREEMENT** The term of this Agreement shall be from the date executed and shall end with the completion of all deliverables related to the audit for Fiscal Year 2017-18, unless extended by a supplemental agreement
- 3 **FAMILIARITY WITH WORK** By execution of this Agreement, Auditor warrants that
 - (1) It has thoroughly investigated and considered the work to be performed, based on all available information
 - (2) It carefully considered how the work should be performed, and
 - (3) It fully understands the difficulties and restrictions attending the performance of the work under this Agreement
 - (4) It has the professional and technical competency to perform the work and the production capacity to complete the work in a timely manner with respect to the schedule included in the scope of services
- 4 **PAYMENT FOR SERVICES** City shall pay for the services performed by Auditor pursuant to the terms of this Agreement, the compensation set forth in the "Audit Work Cost Proposal" attached to and incorporated into this Agreement as Exhibit "C" The fees for services shall not exceed the amounts shown in Exhibit "C" for each fiscal year Invoices shall be submitted for work completed on a progress billing basis to the City's Finance Director Upon verification that the invoice accurately reflects the work performed, the City shall pay Auditor within thirty (30) days therefrom
- 5 **TIME FOR PERFORMANCE** Auditor shall not perform any work under this Agreement until (a) Auditor furnishes proof of insurance as required under Paragraph "8" of this Agreement All services required by Auditor under this

- 11 **ASSIGNMENT** This Agreement is for the specific services with Auditor as set forth herein. Any attempt by Auditor to assign the benefits or burdens of this Agreement without written approval of City is prohibited and shall be null and void, except that Auditor may assign payments due under this Agreement to a financial institution.
- 12 **STANDARD** Auditor agrees that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily provided by an experienced and competent professional organization rendering the same or similar services. Auditor shall re-perform any of said services, which are not in conformity with standards as determined by the City.
- 13 **CONFIDENTIALITY** Employees of Auditor in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Auditor covenants that all data, documents, discussion, or other information developed or received by Auditor or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Auditor without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Auditor's covenant under this Section shall survive the termination of this Agreement.
- 14 **RECORDS AND INSPECTIONS** Auditor shall maintain full and accurate records with respect to all services and matters covered under this Agreement. City shall have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. Auditor shall maintain an up-to-date list of key personnel and telephone numbers for emergency contact after normal business hours.
- 15 **OWNERSHIP OF AUDITOR'S WORK PRODUCT** Reports prepared by the Auditor on behalf of the City (such as the Comprehensive Annual Financial Report, State Controller's Report, Street Report and Single Audit Report) shall be and remain the property of the City. Auditor's work papers and other data and analysis developed and utilized by the Auditor in the performance of its duties under this Agreement shall be and remain the property of the Auditor.
- 16 **NOTICES** All notices given or required to be given pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows.

City Finance Director
 City of Grand Terrace
 22795 Barton Road
 Grand Terrace, CA 92313

- 22 **TRAVEL/EXPENSES** All travel expenses and other out-of-pocket expenses incurred by Auditor's staff in the execution of this Agreement are incorporated in the Audit Work Cost Proposal (Exhibit "C") and will not be separately charged to City. Any other expenses for which Auditor is seeking reimbursement from the City must be pre-authorized by the City's Finance Director.
- 23 **CONFLICT OF INTEREST** Auditor agrees that any conflict or potential conflict of interest shall be fully disclosed prior to execution of contract and Auditor shall comply with all applicable federal, state and county laws and regulations governing conflict of interest.
- 24 **ECONOMIC INTEREST STATEMENT** Auditor hereby acknowledges that pursuant to Government Code Section 87300 and the Conflict of Interest Code adopted by City hereunder, Auditor is designated in said Conflict of Interest Code and is therefore required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advise under this Agreement, prior to the commencement of work.
- 25 **POLITICAL ACTIVITY/LOBBYING CERTIFICATION** Auditor may not conduct any activity, including any payment to any person, officer, or employee of any governmental agency or body or member of Congress in connection with the awarding of any federal contract, grant, loan, intended to influence legislation, administrative rulemaking or the election of candidates for public office during time compensated under the representation that such activity is being performed as a part of this Agreement.
- 26 **NON-DISCRIMINATION** In the performance of this Agreement, Auditor shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation. Auditor will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.
- 27 **AUDIT OR EXAMINATION** Auditor shall keep all records of compensation received from City and make them accessible for audit or examination for a period of three years after final payments are issued and other pending matters.
- 28 **MODIFICATION OF AGREEMENT** This Agreement may not be modified, nor may any of the terms, provisions or conditions be modified or waived or otherwise affected, except by a written amendment signed by all parties.
- 29 **WAIVER** If at any time one party shall waive any term, provision or condition of this Agreement, either before or after any breach thereof, no party shall

to the foregoing which are beyond the control of the party from whom the affected performance was due

- 37 **INTEGRATED AGREEMENT** This Agreement, together with Exhibits "A," "B", "C" and "D" supersede any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party, which is not embodied herein, nor any other agreement, statement or promise not contained in this Agreement shall be valid and binding. Any modification of the Agreement shall be effective only if it is in writing and signed by all parties.

Dated _____

"CITY"

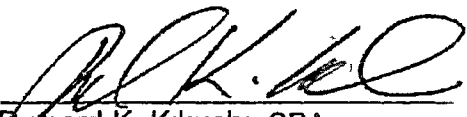
By _____

Walt Stanckiewicz
Mayor

Dated _____

"AUDITOR"

By _____


Richard K. Kikuchi, CPA
Partner

APPROVED AS TO FORM

Richard L. Adams II, City Attorney

ATTEST

Deborah Harrington, Interim City Clerk

**FIRST AMENDMENT
TO
AGREEMENT FOR AUDIT SERVICES**

This **FIRST AMENDMENT** ("FIRST AMENDMENT") to the Agreement for Financial Auditing Services with Lance, Soll & Lunghard, LLP ("AGREEMENT") is entered into by and between the CITY OF GRAND TERRACE, hereinafter referred to as the "CITY," and LANCE, SOLL & LUNGHARD, LLP, hereinafter referred to as "AUDITOR," is entered into the 23rd day of October, 2018.

RECITALS

WHEREAS, the CITY entered into the AGREEMENT with AUDITOR on August 26, 2014 to perform financial auditing services for the CITY;

WHEREAS, CITY and AUDITOR wish to amend the AGREEMENT in order to extend the contract for two years.

NOW, THEREFORE, the parties agree as follows:

1. Paragraph 2 (Term of Agreement) of the AGREEMENT is hereby amended to read as follows:

TERM OF AGREEMENT. The term of this Agreement shall be from date executed and shall end with the completion of all deliverables related to the audit for Fiscal Year 2019-20.

2. Paragraph 4 (Payment for Services) of the AGREEMENT is hereby amended to read as follows:

PAYMENT FOR SERVICES. The CITY shall pay for the services performed by AUDITOR pursuant to the terms of this Agreement, the compensation set forth in the "Audit Work Cost Proposal," which contemplates the fees for the services through Fiscal Year 2017-18, and "LSL Proposed Audit Fees," which contemplates fees for the services through Fiscal Year 2019-20. The fees for all services shall not exceed the amounts shown in Exhibit "A" for each fiscal year as shown therein. Invoices shall be submitted for work completed on a progress billing basis to the CITY. Upon verification that the invoice accurately reflects the work performed, the CITY shall pay AUDITOR within thirty (30) days therefrom.

3. Exhibit A of this FIRST AMENDMENT, attached hereto and incorporated herein by this reference, is hereby added to, and shall supplement, Exhibit A of the AGREEMENT.

4. Except as amended by this FIRST AMENDMENT, all provisions of the AGREEMENT shall remain unchanged and in full force and effect. From and after the date of this FIRST AMENDMENT, whenever the term "AGREEMENT" appears in the AGREEMENT, it shall mean the AGREEMENT, as amended by this FIRST AMENDMENT.

5. CITY and AUDITOR each ratify and reaffirm each and every one of the respective rights and obligations arising under the AGREEMENT. Each party represents and warrants to the other that there have been no written or oral modifications to the AGREEMENT other than as provided herein. Each party represents and warrants to the other that the AGREEMENT is currently an effective, valid, and binding obligation.

AUDITOR represents and warrants to CITY that, as of the date of this AMENDMENT, CITY is not in default of any material term of the AGREEMENT and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the AGREEMENT.

6. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this AMENDMENT.

7. The persons executing this AMENDMENT on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this AMENDMENT on behalf of said party, (iii) by so executing this AMENDMENT, such party is formally bound to the provisions of this AMENDMENT, and (iv) the entering into this AMENDMENT does not violate any provision of any other agreement to which said party is bound.

[SIGNATURE PAGE FOLLOWS IN PAGE 3]

IN WITNESS WHEREOF this FIRST AMENDMENT is signed by the parties hereto on the date first above written.

“CITY OF GRAND TERRACE”

Date 12-5-18



Darcy McNaboe, Mayor

“AUDITOR”

Lance, Soll & Lunghard, LLP

Date _____

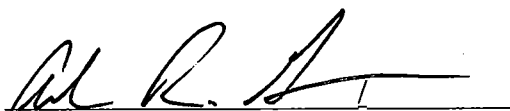
By _____

Attest:



Debra Thomas, City Clerk

APPROVED AS TO FORM



Adrian R. Guerra, City Attorney

IN WITNESS WHEREOF this FIRST AMENDMENT is signed by the parties hereto on the date first above written.

"CITY OF GRAND TERRACE"

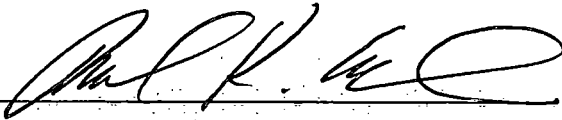
Date _____

Darcy McNaboe, Mayor

"AUDITOR"

Lance, Soll & Lunghard, LLP

Date 11/30/18

By 

Attest:

Debra Thomas, City Clerk

APPROVED AS TO FORM


Adrian R. Guerra, City Attorney

**AMENDED AND RESTATED
AGREEMENT FOR CONTRACT SERVICES**

By and Between

CITY OF GRAND TERRACE

and

LANCE, SOLL & LUNGHARD, LLP

**AMENDED AND RESTATED AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF GRAND TERRACE AND
LANCE, SOLL & LUNGHARD, LLP**

This “AMENDED AND RESTATED AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND LANCE, SOLL & LUNGHARD, LLP” (herein “Agreement”) is made and entered into this 9th day of February 2021 by and between the City of Grand Terrace, a California municipal corporation (“City”) and Lance, Soll & Lunghard, LLP, a limited liability partnership (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. The City entered into that certain agreement with Consultant entitled “Agreement for Professional Services Financial Auditing Services,” dated August 26, 2014, for the provision of certain financial auditing services, as more particularly described therein (“Original Agreement”).

B. The City and Consultant entered into an amendment to the Original Agreement for the purpose of extending its term and to provide for additional compensation paid to Consultant for the extended term (“Amendment No. 1”).

C. Changing the City’s auditors is a significant undertaking and would require the new auditors to become familiar with the City finances, learn its financial policies/practices, evaluate its internal controls, and understand its financial issues, which could also impact the conduct and the delivery of the City’s mandated audited, and, therefore, changing auditors does not generally occur frequently.

D. Since the onset of the COVID-19 pandemic, interaction between government agencies has been restricted almost through e-mail, regular mail, faxes and teleconference meetings and the request for documentation during an audit, has required extensive scanning, photocopying and mailing of financial documents, revenues and expenditure documents alike.

E. In light of the forgoing, Consultant’s institutional knowledge of the City’s finances and accounting system, including familiarity with the City’s policies/practices/internal controls/financial issues, provides for a continuously smooth and efficient audit and it is in the best interest of the City to continue utilizing Consultant.

F. Based upon the forgoing, because the Original Agreement was entered into in 2014, the Parties desire to amend and restate the Original Agreement, as provided in herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree to amend and restate the Original Agreement in its entirety as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

The Scope of Service shall include the Consultant's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve

work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein

by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

1.10 Recitals.

The Recitals set forth above are incorporated herein by this reference.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total annual compensation, including reimbursement for actual expenses, shall not exceed the “Total Annual Compensation” provided in the Schedule of Compensation” in Exhibit “C” (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant’s rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed, and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services and deliverables related to the City's financial audit for Fiscal Year 2021-22, except as otherwise provided in the Schedule of Performance (Exhibit "D"). The City Manager, in his or her sole discretion, may extend the term of this Agreement as follows: (1) extend the term of the Agreement until the completion of the services and deliverables related to the City's financial audit for Fiscal Year 2022-23 and (2) extend the term of this Agreement until the completion of services and deliverables related to the City's financial audit for Fiscal Year 2023-2024. Any approved extension shall be subject to the cost structure set forth in Exhibit "C."

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

<u>Richard K. Kikuchi, CPA</u>	<u>Partner</u>
(Name)	(Title)
_____	_____
(Name)	(Title)
_____	_____
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees

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

4.3 Contract Officer.

The Contract Officer shall be the City's Director of Finance or such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance

maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]



Consultant Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or any automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

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

requirement to provide insurance shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible nor shall it limit the Consultant's indemnification liabilities as provided in Section 5.3.

In the event the Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and

failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer

shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

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

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City

shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

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

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's

obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, the Consultant may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant 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

the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other

conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials

A handwritten signature in black ink, consisting of a stylized 'R' or 'H' shape, is written over a horizontal line.

9.7 Corporate Authority.

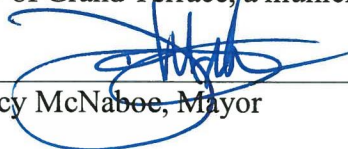
The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Grand Terrace, a municipal corporation



Darcy McNaboe, Mayor

ATTEST:



Debra Thomas, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

Lance, Soll, Lunghard, LLP, a limited liability partnership

By:



Name: Richard K. Kikuchi, CPA
Title: Partner

By:

Name:
Title:

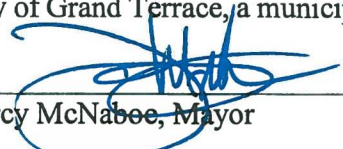
Address: 203 N. Brea Blvd., Suite 203
Brea, CA 92821

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

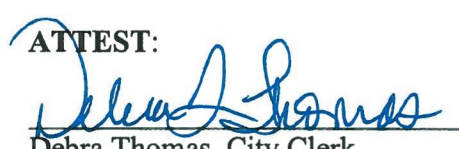
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

City of Grand Terrace, a municipal corporation


Darcy McNaboe, Mayor

ATTEST:


Debra Thomas, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

DocuSigned by:


Adrian R. Guerra, City Attorney

CONSULTANT:

Lance, Soll, Lunghard, LLP, a limited liability partnership

By:


Name: Richard K. Kikuchi, CPA
Title: Partner

By:

Name:
Title:

Address: 203 N. Brea Blvd., Suite 203
Brea, CA 92821

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

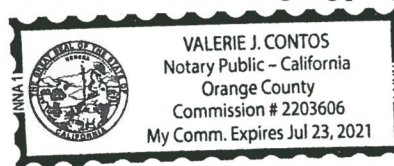
COUNTY OF SAN BERNARDINO

On March 1, 2021 before me, Valerie J. Contos, personally appeared Richard Kibuchi, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Valerie J. Contos



OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐
☐

INDIVIDUAL
CORPORATE OFFICER

TITLE(S)

☐
☐
☐
☐
☐

PARTNER(S) ☐ LIMITED
☐ GENERAL
ATTORNEY-IN-FACT
TRUSTEE(S)
GUARDIAN/CONSERVATOR
OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2021 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	_____
☐ CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
☐ PARTNER(S) ☐ LIMITED	_____
☐ GENERAL	NUMBER OF PAGES
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	_____
☐ GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
☐ OTHER _____	

SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”
SCOPE OF SERVICES

I. Consultant will perform the following Services:

- A. Perform a financial audit of all funds in the City, including, but not limited to, the City’s financial statements. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing standards, issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (“OMB”) Circular A-133 Audits of State and Local Governments and Non-Profit Organizations, and the Governmental Accounting Standards Board (“GASB”) (including, but not limited to, GASB 68 and 75).
- B. Prepare the City’s Comprehensive Annual Financial Report (“CAFR”) in full compliance with all applicable Government Accounting Standards Board (“GASB”) pronouncements for submission under the Government Finance Officers Association (“GFOA”) *Certificate of Achievement for Excellence in Financial Reporting* program and render an auditors' report on the basic financial statements, which will include both Government-Wide Financial Statements and Fund Financial Statements. Consultant shall also apply limited audit procedures to the Management’s Discussion and Analysis and the required supplementary information pertaining to the City’s General Fund and each major fund of the City.
- C. Issue a separate “management letter” that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions.
- D. Issue an Independent Accountant's Report on Agreed-Upon Procedures applied to Appropriations Limit (“Gann Limit”) Worksheets.
- E. Prepare the City’s annual State Controller’s Report.
- F. Prepare the City’s annual Street Report.
- G. Prepare Grand Terrace Housing Successor Agency Annual Financial Report.
- H. Prepare the Governmental Accounting Standards Board (“GASB”) 68 report.
- I. Prepare the City’s Single Audit Act Report, if needed.
- J. Prepare financial statements and related notes and to issue a related opinion regarding such statements and notes as part of the City’s financial audit.
- K. The Services will be performed in compliance with the following:

- i. Generally Accepted Auditing Standards, as set forth by the American Institute of Certified Public Accountants;
- ii. The standards applicable to financial audits contained in the most current version of the Generally Accepted Government Auditing Standards ("Yellow Book"), issued by the Comptroller General of the United States;
- iii. The provisions of the Single Audit Act as amended in 1996; and
- iv. • The provisions of U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- A. The City's annual State Controller's Report.
- B. The City's annual Street Report.
- C. Single Audit Act Report, if needed.
- D. Such other tangible work products as the City may request from time to time.

III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:

- A. Consultant shall provide such status reports, including meetings and/or conference calls, as may be needed by the City from time-to-time. If any meetings and/or conference calls are held, Consultant shall also prepare the necessary meeting agendas and meeting minutes.

IV. All work product is subject to review and acceptance by the City and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

V. Consultant will utilize the following personnel to accomplish the Services:

- A. Richard K. Kikuchi, CPA.
- B. Deborah A. Harper, CPA.
- C. Frank North, CPA.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

EXHIBIT “C”
SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

Task	FY	FY	Optional FY	
	2020/21	2021/22	2022/23	2023/24
Audit Services	\$21,490	\$21,920	\$22,358	\$22,805
CAFR Preparation	\$3,860	\$3,937	\$4,016	\$4,097
State Controller’s Report	\$3,300	\$3,366	\$3,433	\$3,502
Street Report	\$1,020	\$1,040	\$1,061	\$1,082
Grand Terrace Housing Successor Agency Annual Financial Report	\$5,500	\$5,610	\$5,722	\$5,837
GASB 68 Report	\$2,000	\$2,040	\$2,081	\$2,122
Total – Without Single Audit Report	\$37,170	\$37,913	\$38,671	\$39,445
Single Audit Report - If required	\$3,580	\$3,652	\$3,725	\$3,799
Total Annual Compensation*	\$40,750	\$41,565	\$42,396	\$43,244

*The Total Annual Compensation includes the Single Audit Report. In the event that a Single Audit Report is not required, then this total shall be accordingly decreased. For example, if a Single Audit Report is not required for FY 2020/21, then the Total Annual Compensation relating to the financial audit of FY 2020/21 payable to Consultant is \$37,179.

II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.

III. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A.** Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B.** Line items for all materials and equipment properly charged to the Services.
- C.** Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D.** Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all Services timely in accordance with the following schedule:**
- A.** Interim fieldwork will generally be conducted in May or June of each year. Audit planning, documentation of systems of internal control and compliance, and transaction testing will be completed during the interim stage. A month prior to the start of the interim work, Consultant will provide a list of schedules and items to be provided by the City. At the conclusion of the interim fieldwork, a list of schedules and items needed for the year-end fieldwork will be provided.
 - B.** Year-end audit fieldwork will be scheduled during the beginning of October of each year assuming that the City will close its book by the end of September of each year. Financial statements testing, internal controls evaluation, and preparation of reports and letters will be completed during the year-end fieldwork.
 - C.** Upon completion of the year-end audit fieldwork and prior to issuing any audit reports or letters, Consultant shall schedule an exit conference with the Contract Officer to discuss observations and findings.
 - D.** Preliminary draft of the reports and letters will be provided within 30 days of the completion of the audit field work. Consultant will be available for any meetings that may be necessary to discuss the draft audit reports and letters.
 - E.** At the request of the City, Consultant will attend up to two (2) meetings annually to present Consultant's audit findings and recommendations.
 - F.** Final reports including completed CAFR and other reports and letters will be delivered to the Contract Officer by December 15th of each year once all issues of discussion have been resolved.
 - G.** The schedule provided above may be amended by the City as may be required.
- II. In addition to any other tangible work products required by this Agreement, Consultant shall deliver the tangible work products to the City that the City may require from time-to-time.**
- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**

**AMENDMENT NO. 1
TO AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND
LANCE, SOLL & LUNGHARD, LLP**

This AMENDMENT NO. 1 TO AGREEMENT FOR CONTRACT SERVICES BETWEEN THE CITY OF GRAND TERRACE AND LANCE, SOLL & LUNGHARD, LLP (“Amendment No. 1”) by and between the City of Grand Terrace, a California municipal corporation (“City”), and Lance, Soll & Lunghard, LLP, a limited liability partnership (“Consultant”) is effective as of the 13th day of May 2025.

RECITALS

A. On February 9, 2021, the City and Consultant entered into an Amended and Restated Agreement for Contract Services (“Agreement”) for Consultant to provide certain financial auditing services for the City, as more specified in Exhibit “A” to the Agreement for a term of four (4) fiscal years (FY 2020/2021 through FY 2023/2024), as set forth in the Schedule of Compensation in Exhibit “C,” and a total contract sum not to exceed \$167,955.00. The Agreement allows for extensions by written approval, subject to the terms in Exhibit “C” and Exhibit “D.”

B. By this Amendment No. 1, dated May 13, 2025, the parties now desire to amend the existing Agreement to extend the term of the Agreement an additional two (2) fiscal years, account for a change in cost to services, and increase the total contract sum not to exceed \$104,040.00 for the term extension, for a total contract sum of \$271,995.00.

C. Except as amended hereby, this amendment is subject to the same terms and conditions as provided in the Agreement.

TERMS

1. Contract Amendments. The Agreement is amended as provided herein:

1.1 Section 2.1 (Contract Sum) is hereby amended in its entirety and shall now read as follows:

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total-compensation, including reimbursement for actual expenses, shall not exceed Two Hundred and Seventy One Thousand, Nine-Hundred and Ninety Five Dollars and Zero Cents (\$271,995.00) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

1.2 Section 3.4 (Term) is hereby amended in its entirety and shall now read as follows:

Unless earlier terminated in accordance with Article 7 of this Agreement, this

Agreement shall continue in full force and effect, and shall expire on June 30, 2026.

1.3 The following table is hereby added to Section I of Exhibit “C” (Schedule of Compensation) to address services for FY 2024/25 and 2025/26:

EXHIBIT “C”
SCHEDULE OF COMPENSATION

1. Consultant shall perform the following tasks at the following rates:

Tasks	FY	FY
	2024/25	2025/26
City’s Annual Financial Audit	\$36,940.00	\$37,680.00
Housing Successor Audit	\$2,840.00	\$2,900.00
Single Audit	\$5,660.00	\$5,770.00
City’s State Controller Report	\$3,540.00	\$3,610.00
PFA State Controller Report	\$650.00	\$660.00
Street Report	\$1,210.00	\$1,230.00
Gann Limit AUP	\$670.00	\$680.00
Total Annual Compensation*	\$51,510.00	\$52,530.00

*The Total Annual Compensation includes the Single Audit Report. In the event that a Single Audit Report is not required, then this total shall be accordingly decreased. For example, if a Single Audit Report is not required for FY 2024/25, then the Total Annual Compensation relating to the financial audit of FY 2024/25 payable to Consultant is \$45,850.00.

2. Continuing Effect of Agreement. Except as amended by this Amendment No. 1, all provisions of the Agreement, as amended by Amendment No. 1, shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by Amendment No. 1.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 1, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 1, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.

5. Authority. The persons executing this Amendment No. 1 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 1 on behalf of said party, (iii) by so executing this Amendment No. 1, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment No. 1 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 on the date and year first-above written.

CITY:

City of Grand Terrace, a municipal corporation

Bill Hussey, Mayor

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

Lance, Soll & Lunghard, LLP, a limited liability partnership

By:_____

Name: Ryan Domino

Title: Partner

By:_____

Name:

Title:

Two corporate officer signatures required when Consultant is a corporation, with one signature from each of the following groups: 1) Chairman of the Board, president or any Vice President; and 2) Secretary. Any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT SIGNATURES SHALL BE DULY NOTORIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S) ☐ LIMITED
☐ GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

NUMBER OF PAGES

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED
ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S) ☐ LIMITED
☐ GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

NUMBER OF PAGES

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED
ABOVE



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Professional Services Agreement Amendment No. 1 Between the City of Grand Terrace and HDL Companies for Business License Auditing and Administration Services

PRESENTED BY: Christine Clayton, Finance Director

RECOMMENDATION: 1. Approve Professional Services Agreement Amendment No. 1 with HDL Companies (HDL) for Business License Auditing and Administration Services for a term of 1 year and a maximum cost of \$15,000.00; and
2. Authorize the Mayor to execute the Agreement subject to City Attorney approval as to form.

2030 VISION STATEMENT:

This staff report supports Goal #1, Ensuring Our Fiscal Viability, by ensuring the City is receiving the business tax revenue to which it is entitled per City ordinance, while also exploring creative means to provide business license administrative services.

BACKGROUND:

In an effort to ensure that all entities doing business with the City have obtained a business license and paid the proper amount of business tax, the Finance Department prepared a Request for Proposal (RFP) for Business License Auditing and Administration Services in October 2020.

These services are specialized in nature and require comprehensive data analysis of records obtained from State agencies, such as the State Board of Equalization and the Franchise Tax Board. In addition to performing an audit of the business license function, the RFP also requested proposals and pricing for ongoing administration services, to include processing of new applications, processing of annual renewals, and online filing and payment capability. These services were solicited in an effort to improve the City's efficiency and offer more convenient online processing and payment options for the City's businesses.

Following this evaluation process, staff selected HDL Companies as the company that would best meet the City's objectives for Business License Auditing and Administration Services as identified in the RFP. The City signed an agreement with HDL Companies with a 5-year term that is set to expire in October 2025.

DISCUSSION:

It is City staff's assessment that HDL provides adequate service for the City due to their local location, customer service reputation, and the implementation of Compliance Management Services. The proposed agreement is structured for ongoing administration and discovery/audit services as well, which are expected to provide enhanced efficiency and customer service due to HDL's specialization

in this area. In particular, providing businesses with the ability to apply for a business license online, renew a business license online, and remit payment of the business tax online represents significant efficiencies for the City.

While a key objective of the Business License Audit and Administration Services is to ensure that all entities doing business with the City have a current business license and pay the correct amount of business tax, the compliance effort will be conducted in a manner to promote good relations with the City's businesses. City staff and HDL staff work cooperatively throughout the process to provide prompt and comprehensive responses to any questions or concerns coming from businesses.

Staff is recommending that City Council approve the Professional Services Agreement Amendment No. 1 with HDL Companies for Business License Auditing and Administrative Services for a term of one (1) year for a maximum cost of \$15,000.00.

ENVIRONMENTAL IMPACT:

N/A

FISCAL IMPACT:

The term of the proposed agreement is one (1) year and will have a total not to exceed the amount of \$15,000.00 over that period. This amount will be budgeted accordingly in the FY2025-26 Budget.

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF GRAND TERRACE

and

HDL COMPANIES

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF GRAND TERRACE AND
HDL COMPANIES**

This “AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND HDL COMPANIES” (herein “Agreement”) is made and entered into this 22nd day of April , 2020 by and between the City of Grand Terrace, a California municipal corporation (“City”) and HdL Companies, a California corporation (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Grand Terrace Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

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

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant’s Proposal.

The Scope of Service shall include the Consultant’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Seventy Five Thousand Dollars (\$75,000) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding five (5) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Robert Gray
(Name)

Chief Information Officer
(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the City Manager or such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any

time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 5-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE
CANCELLED BEFORE THE EXPIRATION DATED THEREOF,
THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY

ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER
NAMED HEREIN.

[to be initialed]

Consultant Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or any automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Consultant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible nor shall it limit the Consultant's indemnification liabilities as provided in Section 5.3.

In the event the Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant

shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

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

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

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

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District

Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party

of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, the Consultant may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant 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 the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs

the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials RAW

9.7 Corporate Authority.

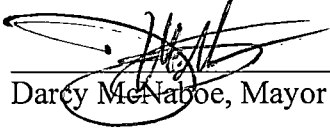
The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

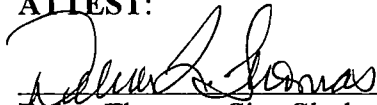
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

City of Grand Terrace, a municipal corporation


Darcy McNaboe, Mayor

ATTEST:


Debra Thomas, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

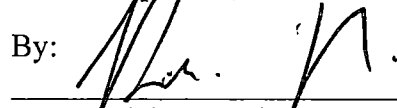

Adrian R. Guerra, City Attorney

CONSULTANT:

HdL Companies., a California corporation

By: 
Name: Andrew Nickerson
Title: President/CEO

HdL Companies., a California corporation

By: 
Name: Richard Park
Title: Chief Financial Officer

Address: 120 S. State College Blvd., Ste 200
Brea, CA 92821

Phone: 714-879-5000

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2020 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)
- ☐ PARTNER(S) ☐ LIMITED
☐ ATTORNEY-IN-FACT ☐ GENERAL
☒ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

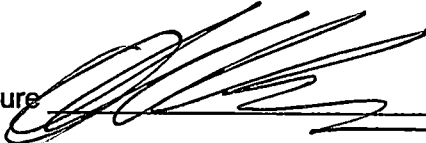
On April 23, 2020 before me, M.R. Shaw, Notary Public
(insert name and title of the officer)

personally appeared Andrew Nickerson & Richard Park
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

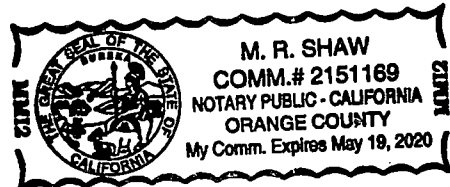


EXHIBIT "A"
SCOPE OF SERVICES

I. Objectives and Methods:

The Services performed by Consultant shall include the following:

- A. Tax Administration.** Consultant will provide the City with a complete turn-key Tax Administration program related to the City's business license processing, renewals, collections, and on-going monitoring and administration of the business license tax pursuant the Grand Terrace Municipal Code . The service will be performed utilizing Consultant's internal programs and processes for compliance and revenue collection. Consultant will transfer the City's existing databases as they relate to business license tax into Consultant's internal administration tools. Consultant will maintain the data and provide access to or copies of data or reports at the City's request. While access to online systems will be available for the City to use at its discretion, the City will not be required to use or maintain any software in house for managing the business license registry.

The following are processes and procedures that Consultant will perform for the City on a turn-key Tax Administration approach:

1. On-line Application: Consultant will provide a link for the City's website that will enable all businesses to apply for, or renewing, a business license and pay such businesses' business tax on-line through Consultant's software application.
2. Renewal Processing: Consultant will send active business license accounts a renewal notice within 45 days of the renewal period ending. Consultant will send individualized tax forms to all known active business license accounts. Consultant will ensure that all active business license accounts receive all applicable forms necessary to complete the renewal process. Consultant will process any renewal applications and forms submitted by active business license accounts in a timely fashion.
3. New Account Processing: Consultant will process any new business license applications and complete the new account registration process in a timely fashion. Consultant will also facilitate intra-city departmental approvals such as zoning, code compliance, fire inspection, and other regulatory related functions.
4. Delinquent Account Processing: Consultant will endeavor to collect delinquent accounts through a series of City approved processing methods. This will include a minimum of two follow up delinquent notices and up to two telephone calls. Delinquent accounts will be collected with full penalties as allowed by the Grand Terrace Municipal Code or through current City practices. Accounts that remain delinquent will be processed through the City approved processes established in Consultant's collections component of the Compliance Management Program.

5. On-line Filing & Payment Processing: Consultant will register a City approved internet domain name which will serve as the starting point for all on-line Services under this Agreement. This City specific site will be designed to look and feel like the City's own web pages and ensures a level of continuity between the business community, the City, and Consultant. Taxpayer businesses can choose to file their new business registration as well as renew their license and make payments via Consultant's on-line filing portal. In addition to filing and paying for taxes, businesses can obtain copies of applications, general support and FAQs, schedule appointments and request copies of their tax registration.
6. Payment Posting/Processing: Consultant will process all payments received in an expedited manner. Taxpayer business accounts are posted with payment information captured in the Consultant's revenue system. Additional information such as net sales, deductions, credit sales, measure of tax, name change, and address change are captured and added to payment data and taxpayer business master file (as determined necessary by Consultant). Late payments are invoiced at penalty amounts as required by City's ordinances. Under-payments are invoiced for remaining tax due plus any required penalties.

License accounts will be updated daily with payment information and revenues to be disbursed to the City net applicable fees for the tax administration services at an interval to be agreed to during the project planning phase. Disbursements typically occur monthly but can be remitted as often as weekly depending on volumes and City needs. Consultant's payment acceptance process will accept the following payment types:

- a. Check / Money Order / Cashier's Check
 - b. E-Check
 - c. Debit Cards
 - d. Credit Cards (Visa, Mastercard, Discover, & American Express)
 - e. Check by Phone
7. Customer Service/Business Support Center: Consultant will provide taxpayer businesses with multiple support options for registering, applying, renewing, making payments and for general inquiries. A toll-free number will be provided to taxpayer businesses in order to access Consultant's license specialists Monday-Friday 8:00am to 5:00pm Pacific Standard Time. Taxpayer businesses will have access to support via, e-mail, fax, and via the Business Support Center On-Line. Consultant will continuously monitor quality control points to ensure courteous customer service, minimal hold times under 2 minutes, and the return of voice messages the same business day.

B. Compliance Management.

1. Establish Enriched Data Portfolio/Lead Identification: Utilizing data provided by the City, as well as the Consultant Enriched Data Portfolio (EDP), Consultant will build an enhanced listing of entities subjected to licensure or taxation pursuant to the Grand

Terrace Municipal Code, including, but not limited to, those businesses physically located in the City, itinerant businesses, and entities participating in the sharing economy such as short-term rentals (STRs), drive sharing services and others. These entities are electronically matched to the existing files of the City using advanced data matching algorithms, allowing Consultant staff to identify which entities are compliant and which entities require follow up.

2. Field Surveys: Consultants' field crews, equipped with the most advanced tools available (mobile mapping/GPS systems, tablet computers pre-loaded with various City and statewide databases, etc.) will canvass commercial areas of the City to develop and enhance the leads identified in the EDP. These Field Surveys will provide additional inventories of active businesses as well as to provide on-site verifications of data culled from other sources.
3. Exception Resolution: Consultant's staff will review the City's business license records and filter out records that may lead to erroneous contacts. This will allow for the discovery of additional revenues not otherwise identifiable through electronic means and assists in reducing potential complaints levied at City staff from pursuit of false positives.
4. Compliance Communication and Outreach: Upon exception resolution, Consultant staff will initiate contact with taxpayer businesses subject to Title 7 of the Grand Terrace Municipal Code through a series of City approved communication methods. Consultant will make every effort to simplify the process for taxpayer businesses and utilizes a variety of mediums for communication including mail, telephone, email and web-site access. Potential non-compliant taxpayer businesses will be notified of their options to comply or dispute their non-compliant status. Initial notification packets will include what is needed to become compliant with multiple methods of resolving their accounts.
5. Business Support Center: Consultant will provide a business support and service center where the business community can access Consultants' specialists during normal business hours. Businesses calling will experience minimal hold times under 2 minutes along with access to a variety of options which include filing support, payment options, resolution of specific tax issues and other services designed to reduce the burden of registering and filing taxes.
6. Business Support Center-Online: Businesses will have access to and be encouraged to take advantage of the range of services available on-line, 24 hours a day, seven days a week. Consultant's on-line Business Support Center will enable businesses to choose to file their new business registration as well as make payments via Consultant's on-line filing portal. In addition to filing and paying for taxes, businesses can obtain copies of applications, general support and FAQs, schedule appointments and request copies of their tax registration.
7. Document Submission/Processing: Whether the taxpayer business chooses to respond by mail, email or our online filing website, Consultant will review each application submission for completion and accuracy prior to processing. Consultant

will request from the taxpayer business any additional documentation needed to complete the approval of a an application, such as a home occupation permit, or will forward an application to other City departments either as a pre-requisite or as a courtesy to the business. All submissions are filed and stored electronically and made available to the City via standard reporting processes or upon request.

8. Invoicing: Once an application is approved, Consultant will forward invoices to the taxpayer business business indicating detailed tax calculations and balances owed. Taxpayer business businesses are provided the opportunity to pay their balances via mail, online, or over the phone services. Taxpayer business businesses will also have continued access to Consultant's Business Support Center for any questions or disputes arising from the invoice process.
9. Registry Update: Upon collection of all requirements which may include payments, application and/or other documentation, Consultant will prepare a Registry Update package to include payment as well as copies of all taxpayer business correspondence and other relevant information. Data in the City registry file stored in the Consultant Prime Software Suite is updated daily with packages from the Compliance Management Services. Once completed, the business will be processed through the standard processes approved through the Consultant Operations Management Component.

C. Audits.

1. Analysis & Selection: Audit candidates are selected using a variety of selection methodologies developed by Consultants' audit team. Preliminary analysis reports on each taxpayer business selected are shared with the City prior to moving through the audit phases.
2. Audit Notification & Scheduling: Taxpayer businesses selected by Consultant and approved by the City will be sent a letter notifying them of a scheduled Compliance Analysis Audit. Every effort is made to promote a positive experience for the taxpayer business. Consultant will provide a detailed description of the requirements and relevant documentation required for the audit to the taxpayer business at least two (2) weeks in advance of the proposed audit date. If the taxpayer business is unable meet the audit date selected by the City, Consultant will take all efforts to reschedule the audit to a more accommodating date. Taxpayer businesses are also afforded the opportunity to schedule flexible appointment times by contacting the Business Support Center or visiting Consultants' online support center.
3. Compliance Analysis & Audit: The Consultant audit team will audit the financial records of the taxpayer business to determine compliance with business tax regulations under the Grand Terrace Municipal Code. Consultant will validate taxing variables such as gross receipts and other relevant information for determining compliance. In addition to identifying underreporting issues, the Consultant Audit Program will also focus on other compliance related issues such as assuring correct

classifications, multiple location allocation, apportionment issues, and identifying business to business relationships that may create tax liability for 3rd parties.

4. Audit & Compliance Report: Upon completion of the audit and analysis, and prior to additional actions, Consultant will generate a compliance report and provide the report to the City. The report will indicate specific results of the review and recommended future actions. Documentation that substantiates the findings in the report will be included with the report to assist the City and Consultant in determining next step of the process.
5. Deficiency and Commendation Notification: Upon final review of the audit and analysis report, taxpayer businesses that are found to have deficiencies will be notified of the findings as well as the payment and appeal processes. Consultant will also work with taxpayer businesses found to be deficient to explain the current findings and educate taxpayer businesses on proper future filing procedures so as to prevent future errors and deficiencies. Consultant will send taxpayer businesses found to be in compliance a commendation letter thanking them for their compliance.
6. Invoicing & Collections: Consultant will invoice a taxpayer business found to be underreporting through the standard City approved collections process. Balances will be collected and remitted along with supporting documentation to the City through the approved remittance processes.

D. Network Uptime.

1. All on-line Services provided by Consultant shall have an uptime of at least 99%. Consultant shall notify the City in writing of any network outage affecting Consultant's ability to provide on-line Services within 24 hours of any such outage.
2. Consultant shall work to promptly restore any Services affected by a network outage and shall provide City with regular updates on the status of such restoration and as may be requested by City.
3. Consultant shall cooperate with City during network outages to ensure that members of the public are informed of such outage.

II. Deliverables

A. Consultant shall provide the City with audit progress reports to include the following:

1. Status of work in progress, including copies of reports provided to taxpayer businesses/intermediaries addressing each reporting error/omission individually, including where applicable the business name, address, telephone number, account identification number, individuals contacted, date(s) of contact, nature of business, reason(s) for error/omission and recommended corrective procedure;
2. Actual revenue produced for the City by Consultant's service on a monthly and

cumulative basis;

3. Projected revenue forthcoming to the City as a result of Consultant's audit service, specified according to source, timing, and one-time versus ongoing; and
4. Alphabetical listing of all errors/omissions detected for the City by Consultant, including the account number, correction status, payment amount received by the City, period to which payment is related and payment type (e.g., reallocation, deficiency assessment) for each one.
5. Another reports that the City may request from time to time.

B. Commencement of Services.

Consultant will commence project planning within 10 days of full execution of this Agreement. After the work plan is developed Consultant will begin providing the Discovery, Audit and Tax Administration services described above. Consultant's obligation to provide services is contingent on the City providing the necessary information and cooperation.

III. City Obligations

The City agrees to:

1. Provide an electronic copy of the City's License Registration File and License Payment History file to Consultant, together with any other information available to the City for Consultant to compute Consultant's billing for services, in electronic format, to Consultant during the term of the Agreement and thereafter for so long as Consultant's right to invoice for services rendered continues;
2. Use reasonable and diligent efforts to collect, or to assist Consultant in the collection of, deficiencies identified by Consultant pursuant to this Agreement. For accounts that remain uncollected after Consultant has exhausted its efforts to collect through the standard process, Consultant and the City may mutually agree to special procedures that will make further attempts to collect amounts still outstanding. Typically, these processes will be implemented by Consultant; and
3. Notify Consultant within 10 days following receipt by the City of payments, if there is any, resulting from deficiencies identified by Consultant. Because Consultant's Audit Services may result in collection of deficiencies after termination of the Agreement, the City's obligation to collect fees and notify Consultant, and Consultant's right to continue to receive contingency fees, shall survive termination of the Agreement for any reason.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

I. Section 1.10 is added to the Agreement as follows:

1.10 Intellectual Property.

- a. Consultant represents and warrants that it owns, maintains, and has obtained the rights to all intellectual property rights necessary for Consultant to provide Services under this Agreement. In the event that any party alleges that Consultant’s Services infringe upon such party’s intellectual property, Consultant shall indemnify, defend, and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with any allegation of intellectual property infringement.
- b. Further, in the event that any party alleges that Consultant’s Services under this Agreement have infringed upon any intellectual property, the City may take any of the following actions: (i) require Consultant, at its sole cost, to obtain the necessary intellectual property rights in order to provide Services under this Agreement; (ii) require Consultant, at its sole cost, to provide City with the Services using an alternative intellectual property that is unaffected by the claim of intellectual property infringement; (iii) obtain the Services from another consultant/contractor and, in such event, require Consultant to pay for any increased costs; or (iv) terminate this Agreement. The obligations imposed by this Section shall survive any expiration or termination of this Agreement and are in addition to any other obligation under this Agreement to indemnify, defend, hold harmless, or release from liability the City.

II. Section 4.6 is added to the Agreement as follows:

4.6 Cooperative Purchasing.

- a. The parties intend that any other public agency shall have an option to procure identical services as set forth in this Agreement. As used in this Section, “public agency” means any city, county, district, public authority, public agency, municipality, or other political subdivision of the State of California located in the State of California. Consultant may offer this Agreement as a template for cooperative or piggybacking purchasing agreements with other public agencies. The City shall have no responsibility, liability, or obligations, financial or otherwise, in connection with orders for services issued by any other public agency

pursuant to this Section. Consultant shall be fully responsible to provide such services to such public agency. The participating public agency shall accept responsibility for securing services or making payments to the vendor.

- b. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, public agency, firm or entity arising out of or in connection with this Section. The indemnification, defense, and hold harmless obligations imposed by this Section shall survive any expiration or termination of this Agreement and are in addition to any other obligation under this Agreement to indemnify, defend, and hold harmless the City.

III. Section 6.5 is added to the Agreement as follows:

6.5 Proprietary Information of Consultant.

- a. As used in this Section, the term “proprietary information” means any information that relates to Consultant’s computer or data processing programs; data processing applications, routines, subroutines, techniques or systems; or business processes. City shall hold in confidence and shall not disclose to any other party any of Consultant’s proprietary information in connection with this Agreement, or otherwise learned or obtained by City in connection with this Agreement, unless disclosure is required under federal or state law, including without limitation the Freedom of Information Act or the Public Records Request Act (“Disclosure Laws”).
- b. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with any disclosure by the City pursuant to the Disclosure Laws. Further, Consultant hereby releases the City from any liability to Consultant for any disclosures made by City pursuant to the Disclosure Laws and hereby waives any claims that Consultant may have against City relating to any disclosures made by City pursuant to the Disclosure Laws.
- c. Consultant shall retain ownership and rights to all proprietary information. The obligations imposed by this Section shall survive any expiration or termination of this Agreement and are in addition to any other obligation under this Agreement to indemnify, defend, hold harmless, or release from liability the City.

EXHIBIT "C"
SCHEDULE OF COMPENSATION

I. Tax Administration

Consultant's compensation for providing the Tax Administration Services shall be:

- A \$15.00 per license payment processed.

Included in the above compensation for Tax Administration Services are:

1. Printing and Mailing costs (for notifications, license issuance, etc.);
2. Ongoing database management and back-up (taxpayer business information);
3. Forms processing and funds disbursement; and
4. Development and support of an on-line business license filing and payment application.

Cost for sending the original license/application to the City:

Consultant archives all original licenses/applications. If the City requests a copy of the original license/application, Consultant will send the copy to the City via e-mail.

II. Discovery Services

Consultant's compensation for providing Discovery Services shall be a contingency fee of 35% of the recovered revenue received by the City from the services. The service must be concurrent and as part of the business license administration services. The 35% shall apply to the current tax year, all eligible prior period revenues received and any applicable penalties, interest and late charges. The contingency fee only applies to revenue actually received by the City. The term "current tax year" shall mean the most recent tax year for which local taxes are due and payable to the City, and in which Consultant has identified deficiencies.

III. Audit Services

Consultant's compensation for the Audit Service shall be a contingency fee of 35% of the revenue received by the City as a result of deficiencies identified in the review and shall include any eligible prior period revenues together with all applicable penalties, interest and late charges. The City agrees to use reasonable and diligent efforts to collect deficiencies identified by Consultant except when the cost of recovery exceeds the deficiency in the sole discretion of the City.

IV. Consultant's annual compensation under this Agreement shall not exceed \$15,000 and Consultant's total compensation under this Agreement shall not exceed \$75,000 as provided in Section 2.1.

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

- I. Consultant shall commence the Services, as described in Exhibit "A," within 7 days of the City's issuance of a notice to proceed, provided that the notice of proceed shall not be issued until the City has received a evidence of Consultant's City business license, certificates of insurance evidencing insurance required by this Agreement, and any other documentation required by the City prior to commencement of the Services under this Agreement. Consultant shall perform all Services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Officer.**
- II. Consultant shall complete all Services under this Agreement by April 1, 2025.**
- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**

**AMENDMENT NO. 1
TO AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND
HDL COMPANIES**

This AMENDMENT NO. 1 TO AGREEMENT FOR CONTRACT SERVICES BETWEEN THE CITY OF GRAND TERRACE AND HDL COMPANIES (“Amendment No. 1”) by and between the City of Grand Terrace, a California municipal corporation (“City”), and HdL Companies, a California corporation (“Consultant”) is effective as of the 13th day of May 2025.

RECITALS

A. On April 22, 2020, the City and Consultant entered into an Agreement for Contract Services (“Agreement”) for Consultant to provide tax administration services to the City, as more specified in Exhibit “A” to the Agreement, for a term of five (5) years and a total contract sum not to exceed \$75,000.00. The Agreement allows for extensions for the time of performance by the Contract Officer, subject to certain limitations.

B. By this Amendment No. 1, the parties now desire to amend the existing Agreement to extend the term of the Agreement an additional one (1) year, account for a change in cost to services, and increase the total contract sum by \$15,000.00 for the term extension to a total contract sum not to exceed \$90,000.00.

C. Except as amended hereby, this amendment is subject to the same terms and conditions as provided in the Agreement.

TERMS

1. Contract Amendments. The Agreement is amended as provided herein:

1.1 Section 2.1 (Contract Sum) is hereby amended in its entirety and shall now read as follows:

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Ninety Thousand Dollars and Zero Cents (\$90,000.00) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.

1.2 Section 3.4 (Term) is hereby amended in its entirety and shall now read as follows:

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services and shall expire on June 30, 2026 from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit “D”).

1.3 Exhibit “C” (Schedule of Compensation) is hereby amended and replaced in its entirety with Exhibit “C”, attached hereto.

1.4 Section II of Exhibit “D” (Schedule of Performance”) is hereby amended in its entirety and shall now read as follows:

“Consultant shall complete all Services under this Agreement by June 30, 2026.”

2. Continuing Effect of Agreement. Except as amended by this Amendment No. 1, all provisions of the Agreement, as amended by Amendment No. 1, shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by Amendment No. 1.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 1, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 1, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.

5. Authority. The persons executing this Amendment No. 1 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 1 on behalf of said party, (iii) by so executing this Amendment No. 1, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment No. 1 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 on the date and year first-above written.

CITY:

City of Grand Terrace, a municipal corporation

Bill Hussey, Mayor

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

HdL Companies, a California corporation

By:_____

Name: Andrew Nickerson
Title: President/CEO

By:_____

Name: Richard Park
Title: Chief Financial Officer

Two corporate officer signatures required when Consultant is a corporation, with one signature from each of the following groups: 1) Chairman of the Board, president or any Vice President; and 2) Secretary. Any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT SIGNATURES SHALL BE DULY NOTORIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT’S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)
☐ PARTNER(S) ☐ LIMITED
 ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED
ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S) ☐ LIMITED
☐ GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

NUMBER OF PAGES

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED
ABOVE

EXHIBIT "C"
SCHEDULE OF COMPENSATION

Tax Administration

Consultant's compensation for providing the Tax Administration Services shall be:

A \$18.00 per license payment processed.

Included in the above compensation for Tax Administration Services are:
Printing and Mailing costs (for notifications, license issuance, etc.);
Ongoing database management and back-up (taxpayer business information);
Forms processing and funds disbursement; and
Development and support of an online business license filing and payment application.

Cost for sending the original license/application to the City:

Consultant archives all original licenses/applications. If the City requests a copy of the original license/application, Consultant will send the copy to the City via e-mail.

Discovery Services

Consultant's compensation for providing Discovery Services shall be a contingency fee of 35% of the recovered revenue received by the City from the services. The service must be concurrent and as part of the business license administration services. The 35% shall apply to the current tax year, all eligible prior period revenues received and any applicable penalties, interest and late charges. The contingency fee only applies to revenue actually received by the City. The term "current tax year" shall mean the most recent tax year for which local taxes are due and payable to the City, and in which Consultant has identified deficiencies.

Audit Services

Consultant's compensation for the Audit Service shall be a contingency fee of 35% of the revenue received by the City as a result of deficiencies identified in the review and shall include any eligible prior period revenues together with all applicable penalties, interest and late charges. The City agrees to use reasonable and diligent efforts to collect deficiencies identified by Consultant except when the cost of recovery exceeds the deficiency in the sole discretion of the City.

Consultant's annual compensation under this Agreement shall not exceed \$15,000.00 per fiscal year.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Amendment No. 2 to Agreement with EZ Sunnyday for Citywide Landscape Services

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION:

1. Receive and file this report regarding the planned \$2,250 contract adjustment for additional maintenance along the second half of the Mirado Drain, which will be processed in FY 2024–25 under the City Manager’s existing \$25,000 contingency authority as approved on August 13, 2024.
2. Approve Amendment No. 2 to the agreement with EZ Sunnyday Landscape, effective July 1, 2025, to permanently include the Mirado Drain services in the scope of work and to remove field mowing services at Richard Rollins Park, resulting in a revised annual contract amount of \$80,170.

2030 VISION STATEMENT:

This staff report supports Goal #2: “Maintain Public Safety” by ensuring the upkeep of City-maintained landscaping, including weed abatement and stormwater system readiness.

BACKGROUND:

On March 14, 2017, the City Council approved an agreement with EZ Sunnyday Landscape for citywide landscape maintenance. In June 2022, the City issued a bid for these services; only one proposal was received—from EZ Sunnyday Landscape. The contractor currently maintains City-owned parkways, open spaces, and provides weed abatement and storm drain maintenance.

Previously approved services were expanded to include routine maintenance at several City properties and drainage areas. Some locations have since been removed from the service schedule due to changes in City responsibility. On August 13, 2024, the City Council approved an annual not-to-exceed amount of \$81,420, with a \$25,000 contingency for adjustments.

DISCUSSION:

Under the City Manager’s previously authorized contingency authority, staff intends to process a \$2,250 change order in FY 2024–25 for maintenance of the second half of the Mirado Drain, which was not part of the original scope. This change does not require Council approval but is being disclosed for transparency.

Staff is also preparing for a longer-term contract update. Amendment No. 2 will formally take effect on July 1, 2025 and will:

- Permanently include the Mirado Drain maintenance in the contractor's scope of work, and
- Remove field mowing services at Richard Rollins Park, resulting in a net contract reduction.

Additionally, during preparation of this report, staff identified a discrepancy in the previously reported contract total. While the agreement was stated as \$81,420, a review of the line-item budget confirmed the correct annual amount is \$81,520. Because the \$100 difference falls well within the City Manager's \$25,000 contingency authority, no formal amendment is required for the current fiscal year. The corrected amount will be reflected in the contract record and included going forward in Amendment No. 2, which will adjust the new contract total to \$80,170 effective July 1, 2025.

ENVIRONMENTAL IMPACT:

The proposed action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) of the CEQA Guidelines. The contract involves maintenance of existing public landscaping and drainage facilities with no expansion of use or significant environmental impact.

FISCAL IMPACT:

The planned \$2,250 adjustment for additional maintenance along the full length of the Mirado Drain will be processed in FY 2024–25 using the existing \$25,000 contingency previously authorized under the City Manager's purchasing authority. No additional appropriation is required.

There is no immediate fiscal impact related to the planned adjustment to remove field mowing services at Richard Rollins Park, which will take effect on July 1, 2025, and reduce the contract amount from \$10,800 to \$7,200 annually.

Upon the effective date of Amendment No. 2 on July 1, 2025, the revised annual contract value will be \$80,170, a net decrease from the current not-to-exceed amount of \$81,520.

Fund Name	Account	Account Description	Amount
General Fund (10)	10-175-244-000	Parkway Maintenance	\$6,860
General Fund (10)	10-195-245-000	Facilities Maintenance	\$5,100
General Fund (10)	10-450-245-000	Parks Maintenance	\$44,120
General Fund (10)	10-631-255-000	Storm Drain Maintenance	\$10,330
Lndscp & Lgtg Assessment (26)	26-600-255-000	Zone 1 - Canal	\$1,800
Lndscp & Lgtg Assessment (26)	26-601-255-000	Zone 3 - Pico & Oriole	\$960
Lndscp & Lgtg Assessment (26)	26-604-255-000	Zone 5 - Palomino	\$200
Lndscp & Lgtg Assessment (26)	26-605-255-000	Zone 6 - Jaden	\$10,800
		TOTAL	\$80,170

**AMENDMENT NO. 2
TO AGREEMENT FOR PUBLIC WORKS SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND EZ SUNNYDAY LANDSCAPE**

This AMENDMENT NO. 2 TO THE AGREEMENT FOR PUBLIC WORKS SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND EZ SUNNYDAY LANDSCAPE ("Amendment NO. 2") by and between the **CITY OF GRAND TERRACE** ("City") and **EZ SUNNYDAY LANDSCAPE**, a California limited liability company ("Contractor") is effective as of the 1st day of July 2025.

RECITALS

A. The City and Contractor entered into that certain Agreement for Public Works Services By and Between the City of Grand Terrace and EZ Sunnyday Landscape for landscaping services, dated August 9, 2022, with a total compensation of \$66,520, and for a term of five (5) years.

B. Pursuant to section 1.10(a) of the Agreement, the City requested additional services from Contractor to include quarterly landscape maintenance at various areas of the City.

C. By Amendment NO. 1, dated August 13, 2024, the City and Contractor amended the existing Agreement to increase the total compensation by \$14,900.00, from \$66,520.00 to \$81,420.00.

D. The City acknowledges that the previously stated contract sum of \$81,420.00 was incorrect, and the accurate annual contract sum is \$81,520.00 based on the itemized account allocations approved on August 13, 2025.

E. By this Amendment NO. 2, dated May 13, 2025, the City and Contractor desire to amend the existing Agreement to add Mirado Drain maintenance services in the amount of \$2,250.00 annually and to remove field mowing services at Richard Rollins Park, resulting in a net reduction of \$1,350.00 and a new annual contract sum of \$80,170.00, effective July 1, 2025.

F. Except as amended hereby, this amendment is subject to the same terms and conditions as provided in the Agreement.

TERMS

1. Contract Amendments. The Agreement is amended as provided herein:

1.1 Section 2.1 (Contract Sum) is hereby amended as follows (~~striketrough~~ represents deleted language while ***bold italics*** represents added language):

"Subject to any limitation set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed ~~Seventy-Five Thousand Six~~

~~Hundred Ninety Dollars and Zero Cents (\$75,690.00)~~ ***Eighty Thousand One Hundred Seventy Dollars and Zero Cents (\$80,170.00)*** (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8."

1.2 Section V of Exhibit "C" (Schedule of Compensation) is hereby amended in its entirety and shall now read as follows (~~strike through~~ represents deleted language while ***bold italics*** represents added language):

"The total compensation for the Services shall not exceed ~~Seventy-Five Thousand Six Hundred Ninety Dollars and Zero Cents (\$75,690.00)~~ ***Eighty Thousand One Hundred Seventy Dollars and Zero Cents (\$80,170.00)*** per year as provided in Section 2.1 of this Agreement."

1.3 Exhibit "A-1" (Bid Specifications and Documents) is hereby replaced in its entirety as follows:

ITEM NO	DESCRIPTION OF ITEMS	TASK	FREQUENCY	UNIT	ANNUAL PRICE	TOTAL PRICE
1	Richard Rollins Park 22745 De Berry St	Task #1 Full Service (Planters, Ground Cover Shrubs)	Once	Week	\$7,200.00	\$7,200.00
		Task #2 Mow and Weed Eat				
2	Veterans Freedom Park 21950 Pico St	Task #1 Full Service (Planters, Ground Cover) Shrubs - 15,200 sqft	Once	Month	\$2,400.00	\$7,200.00
		Task #2 Mow and Weed Eat - 82,600 sqft	Once	Week	\$4,800.00	
3	TJ Austin Park 22740 Robin Way (including parkspace north and south)	Task #1 Full Service (Planters, Ground Cover, Shrubs) 7,200 sqft	Once	Month	\$1,200.00	\$4,800.00
		Task #2 Mow and Weed Eat 55,100 sqft	Once	Week	\$3,600.00	
4	Gwen Karger Park NW Corner of Mount Vernon Ave and DeBerry St	Task #1 Full Service (Planters, Ground Cover Shrubs) – 2,500 sqft	Once	Month	\$360.00	\$720.00
		Task #2 Mow and Weed Eat – 1,500 sqft	Once	Week	\$360.00	
5	Griffin Park Water reservoir behind homes on Canary Court between Merle Court and Paradise St	Task #1 Full Service (Planters, Ground Cover Shrubs) – 65,000 sqft	Once	Month	\$1,200.00	\$6,300.00
		Task #2 Mow and Weed Eat – 9,200 sqft	Once	Week	\$5,100.00	
6	Canal Strip/East Side of Canal St at Barton Rd North/South of McClarren St	Task #1 Mow and Weed Eat – 29,500 sqft	Once	Week	\$1,800.00	
7	Oriole Slope East side of Oriole Ave from Franklin St and Lark St	Task #1 Full Service (Planters, Ground Cover Shrubs) 11,000 sqft	Once	Month	\$960.00	

8	3 Baseball Fields at Veterans Freedom Park 21950 Pico St	Task #1 Mow and Weed Eat - 48,000 sqft	Once	Week	\$3,000.00
9	Right of Way, Mount Vernon Ave from Main St to Barton Rd	Task #1 Weed Abatement and Spray Roundup – 1 mile on both sides of roadway	Once	Every 2 months	\$1,500.00
10	Right of Way, Barton Rd from Palm to Victoria St	Task #1 Weed Abatement and Spray Roundup – 0.5 miles both sides of road	Once	Every 2 months	\$1,500.00
11	Right of Way, Main St from Michigan St to Mount Vernon	Task #1 Weed Abatement and Spray Roundup - 0.5 miles north side of road	Once	Every 2 months	\$300.00
12	Orange Grove Parkway at Mt Vernon Ave and	Task #1 pull weeds – 30,000 sqft	Once	Month	\$960.00
13	Grand Terrace Fitness Park 21937 Grand Terrace Rd	Task #1 pull weeds - 115,000 sqft	Twice	Month	\$4,800.00
14	City Hall 22795 Barton Rd Approximately 30,000 sqft	Task #1 Full Service (Planters, Ground Cover, Shrubs)	Once	Month	\$2,500.00
		Task #2 Mow and Weed Eat	Once	Week	
15	Westside of right of way on S La Cadena Dr between Palm Ave and Litton Ave and median	Task #1 Weed Abatement and Spray Roundup - Approximately 57,000 sqft	Once	Every 3 Months	\$1,400.00
16	Jaden Court On left side of entrance and both center areas of walking path between homes stopping level with the top cul-de-sac	Task #1 Weed Abatement and Spray Roundup on non- drought tolerant/aesthetic plants - Approximately 70,000 sqft	Twice	Month	\$9,000.00
17	Palomino Court Frontage on Pico St	Task #1 Mow parkway Approx. 295 sqft	Twice	Year	\$100.00

	Between Gage Canal and the West Property on Palomino Court	Task #2 Cut back hedge from sidewalk west of 22265 Pico St and prune trees and shrubs on east and west side of Palomino Ct Approx. 400 sqft	Twice	Year	\$100.00
18	Dog Park 22720 Vista Grande Way	Task #1 Full Service (Planters, Ground Cover, and Shrubs) Task #2 Mow and Weed Eat	Once	Week	\$5,400.00
19	Full Length of Mirado Drain	Removal of grass, trees, and debris	Once	Every 3 months	\$6,450.00
20	Dog Park	Reseed	Once	Year	\$1,700.00
21	Empty lot on Preston/Barton Rd	Weed abatement and spray	Once	Every 3 months	\$2,600.00
22	Jaden Court on Left Side of Entrance and Both Center Areas of Walking Path Between Homes	Irrigation Maintenance	Once	Month	\$1,800.00
23	Observation St – Base of mountain	Weed abatement and spray	Once	Every 3 months	\$1,600.00
24	Barton Rd. west of City Hall Building	Weed abatement and spray	Once	Every 3 months	\$1,400.00
25	Barton Rd Roundabout- Planters on the Edge of the Street and Rocky Area on the Southwest Corner	Weed abatement and spray	Once	Every 3 months	\$1,200.00
26	Canal St from Newport Ave to Mount Vernon ROW drainage ditch	Task #1 Weed abatement and spray roundup, clear ditch – 0.4 miles on west side of the street only	Once	Every 3 months	\$480.00

28	Canal Front Between Pascal and Vivienda	Weed abatement and spray	Once	Every 4 months	\$1,200.00
29	Canal at the corner of Van Buren and Michigan	Weed abatement and spray	Once	Every 3 months	\$400.00
30	Canal Front Between Vivienda to Michigan	Weed abatement and spray	Once	Every 4 months	\$1,800.00

2. Continuing Effect of Agreement. Except as amended by this Amendment NO. 2, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by Amendment NO. 2.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City. and Contractor each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Contractor represents and warrants to City that, as of the date of this Amendment NO. 2, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Contractor that, as of the date of this Amendment NO. 2, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment NO. 2.

5. Authority. The persons executing this Amendment NO. 2 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment NO. 2 on behalf of said party, (iii) by so executing this Amendment NO. 2, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment NO. 2 does not violate any provision of any other agreement to which said party is bound.

01247.0001/1003173.)
 11/11/2021 10:00:00 AM

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment NO. 2 on the date and year first-above written.

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

EZ SUNNYDAY LANDSCAPE, a California
limited liability company

By: _____
Name: Isai Zencena
Title: Owner

Address: P.O BOX 878,
Rialto, CA 92377

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
☐	INDIVIDUAL	_____
☐	CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)		
☐	PARTNER(S)	_____
☐	LIMITED	NUMBER OF PAGES
☐	GENERAL	
☐	ATTORNEY-IN-FACT	_____
☐	TRUSTEE(S)	DATE OF DOCUMENT
☐	GUARDIAN/CONSERVATOR	
☐	OTHER _____	

SIGNER IS REPRESENTING:		
(NAME OF PERSON(S) OR ENTITY(IES))		SIGNER(S) OTHER THAN NAMED ABOVE



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Amendment No. 1 to Superior Building Maintenance Contract for Facility Janitorial Services

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION:

- Approve Amendment No. 1 to the agreement with Superior Building Maintenance, LLC, effective July 1, 2025, to reflect the following service adjustments:
 - Increase janitorial service at the Annex Building from once per week to five days per week, at an annual cost of \$5,916.
 - Add one additional cleaning day per week at the Senior Center, increasing the annual service cost for that location to \$20,496, an increase of \$11,088.
 - Add janitorial service on four City-designated holidays to clean the City Hall lobby restrooms, which remain open for public access through the San Bernardino County Library, at a total annual cost of \$192.
- Approve a revision to the contract term, increasing the agreement duration from three years to five years, with the option for up to two additional three-year extensions, subject to mutual agreement and City Council approval.
- Authorize the City Manager to execute Amendment No. 1 and make any necessary, non-substantive changes to implement the intent of this amendment.

2030 VISION STATEMENT:

This action supports Goal #1, Strategy 1.4 by exploring creative and cost-effective means to provide essential janitorial services that maintain operational continuity and public access to City facilities.

BACKGROUND:

On May 28, 2024, the City Council approved a contract for citywide janitorial services with Superior Building Maintenance, LLC (SBM). Since then, SBM has consistently delivered quality service across City facilities. As facility use and public access have increased at multiple locations, additional janitorial support is now necessary to maintain cleanliness and ensure a safe, functional environment.

DISCUSSION:

Over the past year, the Annex Building has transitioned from a file storage space to an active workspace now used by the San Bernardino County Sheriff's Department. Although the building is currently serviced once a week (on Mondays), daily use by Sheriff's personnel has increased significantly. Staff recommends expanding janitorial services to five days a week, at an added cost of \$493 per month (or \$5,916 annually).

Additionally, due to the City Hall lobby restrooms being connected to the San Bernardino County Library, the restrooms remain in public use even when City Hall is closed for holidays. Currently, there is no janitorial service provided on those closure days. Staff recommends adding restroom cleaning on four designated holidays, at a total annual cost of \$192.

The Senior Center has also experienced increased reservation activity, particularly over weekends. To ensure cleanliness and readiness for weekday programming, staff recommends adding one additional cleaning day (Monday) each week. This service would cost \$924 per month, or \$11,088 annually.

These service adjustments are proposed as part of Amendment No. 1 to the existing agreement with Superior Building Maintenance, LLC (SBM) and would become effective July 1, 2025, resulting in a new total annual contract cost of \$84,261.

In addition to the scope and cost updates, staff recommends modifying the original agreement to extend the contract term from three years to five years, with the option to renew for up to two additional three-year terms, subject to mutual agreement and City Council approval. This change would provide long-term cost stability and reduce the administrative burden of frequent re-bidding.

ENVIRONMENTAL IMPACT:

This action is not a project under the California Environmental Quality Act (CEQA) and is therefore exempt from environmental review, pursuant to CEQA Guidelines Section 15301 – Existing Facilities, as it involves maintenance of existing public facilities with no expansion of use.

FISCAL IMPACT:

The total fiscal impact of the additional services is \$17,196 annually, broken down as follows:

- Annex Building (additional service days): \$5,916/year
- Senior Center (additional weekly cleaning): \$11,088/year
- City Hall lobby restrooms (holiday service): \$192/year

The Annex Building and holiday restroom services will be charged to Account 10-195-245-000 (Facilities Maintenance), and the Senior Center services will be charged to Account 10-805-245-000 (Senior Center Maintenance). The revised total annual contract value will be \$84,261. No additional appropriation is required as this will be included in the budget each fiscal year.

**AMENDMENT NO. 1
TO AGREEMENT FOR PUBLIC WORKS SERVICES
BETWEEN THE CITY OF GRAND TERRACE AND SUPERIOR BUILDING
MAINTENANCE, LLC**

This AMENDMENT NO. 1 TO THE AGREEMENT FOR PUBLIC WORKS SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND SUPERIOR BUILDING MAINTENANCE, LLC ("Amendment NO. 1") by and between the City of Grand Terrace, a California municipal corporation ("City"), Superior Building Maintenance, LLC, a California Limited Liability Company ("Contractor") is effective as of the 1st day of July 2025.

RECITALS

A. The City and Contractor entered into that certain Agreement for Public Works Services By and Between the City of Grand Terrace and Superior Building Maintenance, LLC for janitorial services, dated May 28, 2024, with a total compensation of \$57,684 and for a term of three (3) years.

B. Pursuant to section 1.11(a) of the Agreement, the City is requesting additional services from Contractor to include daily and biweekly janitorial maintenance at various areas of the City.

C. By this Amendment NO. 1, dated July 1, 2025, the City and Contractor desire to amend the existing Agreement to increase the contract sum from \$57,684 to \$84,261. This increase reflects the addition of four (4) additional days of janitorial services at the annex building for the Sheriff's Office, which increases the cost by \$5,916, bringing the new annual compensation total for that location to \$7,392; the addition of one (1) additional day of janitorial services at the Senior Center for \$11,088 annually, bringing the total annual cost for that location to \$20,496; and the addition of janitorial services on four (4) holidays when the City is closed, but the library lobby restrooms remain open, at a cost of \$192 annually. These changes result in a new annual contract total of \$84,261, effective July 1, 2025.

D. By this Amendment NO. 1, the City and Contractor further desire to amend the term of the Agreement, increasing the initial term from three (3) years to five (5) years.

E. Except as amended hereby, this amendment is subject to the same terms and conditions as provided in the Agreement.

TERMS

1. Contract Amendments. The Agreement is amended as provided herein:

1.1 Section 2.1 (Contract Sum) is hereby amended as follows (~~strikethrough~~ represents deleted language while ***bold italics*** represents added language):

"Subject to any limitation set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed ~~Fifty Seven Thousand Six Hundred Eighty Four Dollars and No Cents~~

~~(\$57,684.00)~~ ***Eighty-Four Thousand Two Hundred Sixty-One Dollars and Zero Cents (\$84,261.00)*** (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.11."

1.2 Section 3.5 (Term) is hereby amended as follows (~~striethrough~~ represents deleted language while ***bold italics*** represents added language):

"Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding ~~three (3)~~ ***five (5)*** years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D")."

1.3 Section V of Exhibit "C" (Schedule of Compensation) is hereby replaced in its entirety and shall now read as follows:

"The total compensation for Services shall not exceed Eighty-Four Thousand Two Hundred Sixty-One Dollars and Zero Cents (\$84,261.00) per year as provided in Section 2.1 of this Agreement."

Item No.	Description of Items	Estimated Quantity	Unit	Unit Price in Words	Unit Price	Total Annual Cost
1	Clean City Hall five days a week, Monday through Friday night.	1	Month	Two thousand seven hundred sixty-two dollars	\$2,762.00	\$33,144.00
2	Clean the City Hall Annex Building daily, Monday through Friday. *The building remains open on City-designated holidays.	1	Month	Seven thousand ninety-two dollars	\$616.00	\$7,392.00
3	Provide access at 7:00 a.m. and cleaning services twice a day (at 7:00 a.m. and at 1:00 p.m.) on Saturday, Sunday, & Holidays at Richard Rollins Park.	1	Month	Three hundred eighty-four dollars and forty cents	\$384.40	\$4,612.80
4	Provide access at 7:00 a.m. and cleaning services twice a day (at 7:00 a.m. and at 1:00 p.m.) on Saturdays, Sundays, and holidays at Veterans Freedom Park.	1	Month	Three hundred eighty-four dollars and forty cents	\$384.40	\$4,612.80
5	Provide access at 7:00 a.m. and cleaning services twice a day (at 7:00 a.m. and at 1:00 p.m.) on Saturdays, Sundays, and holidays at GT Fitness Park.	1	Month	Three hundred eighty-four dollars and forty cents	\$384.40	\$4,612.80
6	Provide access at 7:00 a.m. and cleaning services twice a day (at 7:00 a.m. on Saturdays, Sundays, and holidays) at Grand Terrace Dog Park.	1	Month	Three hundred eighty-four dollars and forty cents	\$384.40	\$4,612.80
7	Empty trash and dog waste bins at TJ Austyn and Griffin Park on Saturdays and holidays.	1	Month	Three hundred eighty-four dollars and forty cents	\$384.40	\$4,612.80
8	Clean the Senior Center twice a week on Monday and Thursday.	1	Month	One thousand seven hundred and twenty-two dollars and seventy-five cents	\$1,722.75	\$20,469.00
9	Clean City Hall lobby restrooms on (4) holidays when City Hall is closed.	1	One-time	One hundred ninety-two dollars	\$192.00	\$192.00
TOTAL FEE: \$84,261.00 per year						

1.4 Section IV of Exhibit “D” (Schedule of Performance) is hereby amended as follows (~~strike through~~ represents deleted language while ***bold italics*** represents added language):

"The City ~~in its sole discretion~~ may extend the term of this Agreement in writing by ~~two (2) terms of one (1) year each~~ ***upon mutual agreement of the parties for up to two (2) additional terms of three (3) years each, subject to approval by the City Council.***"

2. Continuing Effect of Agreement. Except as amended by this Amendment NO. 1, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by Amendment NO. 1.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City. and Contractor each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Contractor represents and warrants to City that, as of the date of this Amendment NO. 1, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Contractor that, as of the date of this Amendment NO. 1, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment NO. 1.

5. Authority, The persons executing this Amendment NO. 1 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment NO. 1 on behalf of said party, (iii) by so executing this Amendment NO. 1, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment NO. 1 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONTRACTOR:

SUPERIOR BUILDING MAINTENANCE,
LLC

By: _____
Name: Jennifer Nieves
Title: CEO

Address: 1727 Via Encantadoras,
San Ysidro, Ca 92173

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
☐	INDIVIDUAL	_____
☐	CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)		
☐	PARTNER(S)	_____
☐	LIMITED	NUMBER OF PAGES
☐	GENERAL	
☐	ATTORNEY-IN-FACT	_____
☐	TRUSTEE(S)	DATE OF DOCUMENT
☐	GUARDIAN/CONSERVATOR	
☐	OTHER _____	

SIGNER IS REPRESENTING:		
(NAME OF PERSON(S) OR ENTITY(IES))		SIGNER(S) OTHER THAN NAMED ABOVE



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Award Contract to Athletic Field Specialist for Richard Rollins Field Maintenance

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION: Award the contract for turf maintenance services at Richard Rollins Park to Athletic Field Specialist for a five-year term, with an annual amount of \$28,800, and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

2030 VISION STATEMENT:

This report supports Goal #2: Maintain Public Safety by investing in critical infrastructure improvements, and Goal #3: Promote Economic Development by securing partnerships and funding for vital community projects.

BACKGROUND:

Through an agreement with Lewis Developers, Richard Rollins Park field was expected to be upgraded with higher-quality grass. Southern California Landscape Inc. was subcontracted through Lewis to begin services on 2/27/25. While Southern California Landscape was initially scheduled to conclude services in May, the City opted to have them continue providing services through June for continuity until a new bid process for maintenance services was completed.

DISCUSSION:

The City already had an existing landscaper for mowing services, but the City sought a company capable of providing reel mower services, which are compatible with the type of grass installed. Reel mowing uses a set of rotating blades to cut grass cleanly, providing a healthier cut that helps promote grass growth and improves the overall appearance of the turf.

Since Southern California Landscape was already performing work, the City requested a proposal for continued services and then conducted an open bid from April 1 to April 11 to ensure at least three quotes were obtained. The City received two bids: one from Southern California Landscape for \$37,300 and another from Athletic Field Specialist for \$28,200. Both bids included services such as weekly mowing, aeration, overseeding, fertilization, and weed control. The contract would be for a five-year term.

Athletic Field Specialist was recommended as the lowest responsive bid, and the contract will be for five years at an annual cost of \$28,200. Southern California Landscape will continue performing maintenance until June 30, 2025, after which Athletic Field Specialist will assume responsibility starting with the new fiscal year.

ENVIRONMENTAL IMPACT:

The recommended turf maintenance services will ensure the continued health and sustainability of the grass at Richard Rollins Park, contributing to the local environment by maintaining high-quality landscaping that promotes healthier outdoor spaces and reduces water waste through appropriate mowing techniques.

FISCAL IMPACT:

The annual cost of the contract, \$28,200, will be budgeted each year starting in the 2025-26 fiscal year and charged to account 10-450-245-000, which is our parks account. The total value of the contract over the five-year term is \$141,000.

City of Grand Terrace**Bid Results – Turf Maintenance Services****Richard Rollins Community Park****Bid Closing Date: Apr 11, 2025 12:00:00 PM PDT****Platform: Public Purchase**

The following bid results summarize proposals received for turf maintenance services at Richard Rollins Community Park. While the bid was advertised through the City’s online bidding platform, Public Purchase, no electronic submissions were received through the system. Instead, two proposals were submitted in response to the solicitation.

Bid Results Summary

Vendor	Base Bid – Mowing	Optional – Aeration	Optional – Overseeding	Additional Services	Total Monthly Cost (Mowing Only)	Service Frequency Details
Southern California Landscape Inc.	\$28,800 annually	\$1,000 (twice/year)	\$7,500 (twice/year)	N/A	\$2,400/month	Aeration: 2x/year Overseeding: 2x/year
Athletic Field Specialist	\$350/week (\$1,516.67/month)	Included in \$10,000 lump sum	Included in \$10,000 lump sum	\$10,000 lump sum	\$1,516.67/month	Fertilization: min. 4x/year Weed Control: 3–4x/year Aeration: min. 2x/year

Summary Table

Vendor	Annual Cost (Base Only)	Annual Cost (With Optional/Additional Services)
Southern California Landscape Inc.	\$28,800	\$37,300
Athletic Field Specialist	\$18,200	\$28,200

Additional Notes

- The contract term for this service is five years.
- Final contract award is pending City Council approval, anticipated at the May 13, 2025, Council Meeting at 6:00 PM.
- No other proposals were received for this solicitation.

For questions or clarifications, please contact:

Shanita Tillman

Senior Management Analyst

City of Grand Terrace – Public Works Department

stillman@grandterrace-ca.gov | 909-954-5191

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF GRAND TERRACE

and

ATHLETIC FIELD SPECIALISTS INC.

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF GRAND TERRACE AND
ATHLETIC FIELD SPECIALISTS INC**

This “AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND ATHLETIC FIELD SPECIALISTS INC” (herein “Agreement”) is made and entered into this 13th day of May, 2025 by and between the City of Grand Terrace, a California municipal corporation (“City”) and Athletic Field Specialists Inc., a California corporation (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by City to perform those services.

C. Pursuant to the City of Grand Terrace Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

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

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant’s Proposal.

The Scope of Service shall include Consultant’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for Consultant’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed One-Hundred Forty One Thousand U.S. Dollars and zero Cents (\$141,000) (the "Contract Sum"), and shall not exceed shall not exceed Twenty-Eight Thousand Two Hundred Dollars (\$28,200) per year, unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including City, if Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

<u>Allen Aragon</u>	<u>Owner</u>
(Name)	(Title)
<u> </u>	<u> </u>
(Name)	(Title)
<u> </u>	<u> </u>
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing Principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be Konrad Bolowich, City Manager, [or such person as may be designated by the City Manager]. It shall be Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or

control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance

written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000.00. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least five (5) consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional five (5) year period, Consultant shall annually and upon request of City submit written evidence of this continuous coverage.

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any Party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to City. In the event any of said policies of insurance are cancelled, Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

Consultant's Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or any automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. Consultant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible nor shall it limit Consultant's indemnification liabilities as provided in Section 5.3.

In the event Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("Indemnitors"), or arising from Consultant's or Indemnitors'

reckless or willful misconduct, or arising from Consultant's or Indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold City, its officers, agents, and employees harmless therefrom;

(c) In the event City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to City, its officers, agents or employees, any and all costs and expenses incurred by City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than three (3) years duration, or in the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to City, Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, Consultant shall fully cooperate with City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by Consultant will be at City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to

use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for City.

6.4 Confidentiality and Release of Information.

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

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

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

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District

Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of City to give notice of Consultant's default shall not be deemed to result in a waiver of City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party

of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 *et seq.* and 910 *et seq.*, in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, Consultant may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where Consultant has initiated termination, Consultant 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 Consultant has initiated termination, Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating Party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to Consultant for the purpose of set-off or partial payment of the amounts owed City as previously stated.

7.9 Attorney's Fees.

If either Party to this Agreement is required to initiate or defend or made a Party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs

the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts and Electronic Signatures.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Consultant and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

By:

Name: Allen Aragon
Title: Owner

By:

Name:
Title:

Address: 3094 East Shauna Drive
Highland, CA 92346

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

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PARTNER(S)

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GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”
SCOPE OF SERVICES

- I.** Consultant shall perform all of the work and comply with all of the specifications and requirements in the “General Provisions” and “Special Provisions” included in the bid documents for the project entitled the “**Turf Maintenance Services – Richard Rollins Park Field**” including any documents or exhibits referenced therein. The bid documents shall include, but not be limited to, those bid specifications and documents provided in Exhibit “A-1”.
- II.** In addition to the requirements of Section 6.2, during performance of the work, Consultant will keep the City apprised of the status of performance by delivering status reports as may be required by the City from time to time.
- III.** All work is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.
- IV.** Consultant shall provide safe and continuous passage for pedestrian and vehicular traffic in accordance with the Work Area Traffic Control Handbook (WATCH), latest edition.

EXHIBIT “A-1”

BID SPECIFICATIONS AND DOCUMENTS

For our Basic Maintenance Program, our services include:

- Fertilization. We will make nutrient applications using either granular or liquid based fertilizations a minimum of 4 times per year. We will perform a soil analysis on the field to dictate the exact fertilizer formulation.
- Weed control. We use both pre-emergent herbicides and selective post-emergent herbicides. These applications are applied as needed, usually three to four times per year.
- Mechanical aerification. We use an Aerovator solid tine aerator and a core aerator to “plug” the field and reduce thatch. We will aerate a minimum of twice per year or as needed.

The annual cost for all of the services detailed above is \$10,000.00. The price includes labor paid at prevailing wage rates, equipment, chemicals and fertilizer.

For our Mowing Program, our services include:

- Mowing and weed-eating the above fields one day per week. We will use a “reel” mower which is the best mower for hybrid bermudagrass.

The weekly cost for our mowing services is only \$350.00 per week if you agree to our Basic Maintenance Program.

Please note we also offer top-dressing, over-seeding and sod repair procedures, all performed in-house.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

Section 3.4 (“Term”) is hereby amended and shall read in its entirety as follows:

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding five (5) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit “D”).

EXHIBIT "C"
SCHEDULE OF COMPENSATION

- I. Consultant shall perform all work at the rates on the Bid Schedule submitted as part of Consultant's Proposal, which is attached hereto as Exhibit "C-1". The City does not expressly or by implication agree that the actual amount of work will correspond with quantities given in Exhibit "C-1", but reserves the right to increase or decrease the amount of any class or portion as deemed necessary or advisable by the Contract Officer. Payment will be based upon the actual quantities installed or constructed, unless otherwise specified.**

- III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.**

- IV. City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
 - A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.**
 - B. Line items for all materials and equipment properly charged to the Services.**
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.**
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.**

- V. The total compensation for the Services shall not exceed \$28,200 as provided in Section 2.1 of this Agreement.**

EXHIBIT “D”
SCHEDULE OF PERFORMANCE

- I. Contractor shall perform all work timely and in accordance with plans and specifications as provided in Exhibit “A”. Further, Contractor shall perform all work timely and in accordance with a Project Schedule to be developed by Contractor and the Contract Officer and subject to written approval by the Contract Officer.**

- II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: 2025-2026 Landscape & Lighting Assessment District 89-1 Public Hearing Intent

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION: 1. Adopt RESOLUTION NO. 2025-____, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2025-2026 FISCAL YEAR FOR THE CITY OF GRAND TERRACE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1 AND ORDERING THE ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE IV OF CHAPTER 1 OF SAID ACT; and

2. Adopt RESOLUTION NO. 2025-____, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, GIVING PRELIMINARY APPROVAL OF THE ENGINEERS REPORT FOR LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1, AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2025-2026; and

3. Adopt RESOLUTION NO. 2025-____, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING ON JUNE 10, 2025, ON LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1, AND TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2025-2026

2030 VISION STATEMENT:

This staff report supports Goal #1 to "Ensure our Fiscal Viability by ensuring appropriate cost recovery for services."

BACKGROUND:

In 1989, the City Council established Assessment District 89-1 to maintain landscaping and lighting for Tract 13364 (Zone 1), as required by the development's conditions of approval. Since then, the District has expanded through a series of annexations, resulting in a total of seven zones, each corresponding to a specific tract:

- **Zone 1:** Tract 13364 (Original District)
- **Zone 2:** Tract 14264

- **Zone 3:** Tract 14471
- **Zone 4:** Tract 17766 – Greenbriar on Mt. Vernon
- **Zone 5:** Tract 18793 – Aegis Builders on Pico Street
- **Zone 6:** Tract 18071 – Kargar Development on Jaden Court
- **Zone 7:** Tract 18604 – Aegis-Van Buren on Tesoro Court/Van Buren

Together, these seven zones make up the current Assessment District 89-1, with each zone assessed independently based on the landscaping and lighting improvements within its boundaries.

DISCUSSION:

Each year, an Engineer's Report is prepared and reviewed by the City Council to determine annual assessment amounts for the City's Landscaping and Lighting Assessment District, in accordance with the Landscaping and Lighting Act of 1972. The report evaluates prior year expenditures and projects maintenance and operational costs for the upcoming fiscal year, with those costs allocated to benefiting properties through property tax bills.

For Fiscal Year 2025–2026, staff has reviewed expenditures and, based on the Engineer's estimate, determined that overall maintenance costs will decrease. As a result, assessment amounts for the District will also be reduced compared to the previous year.

ENVIRONMENTAL IMPACT:

The proposed assessments have no significant environmental impact and are exempt from CEQA pursuant to Section 15301 of the CEQA Guidelines, as they involve the continued maintenance of existing landscaping and lighting facilities.

FISCAL IMPACT:

The projected cost to maintain the Assessment District for FY 2025–2026 is \$41,505.00, which will largely be reimbursed through property tax collections administered by San Bernardino County.

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2025-2026 FISCAL YEAR FOR THE CITY OF GRAND TERRACE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1 AND ORDERING THE ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE IV OF CHAPTER 1 OF SAID ACT

WHEREAS, the City Council has, by previous Resolutions, formed the City of Grand Terrace LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1 (hereafter referred to as "District") pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "Act"), in which annual assessments have been levied and collected in past fiscal years; and

WHEREAS, said Act requires that proceedings for the levy of assessments shall be initiated by resolution describing any proposed new improvements or any substantial changes in existing improvements in accordance with Chapter 3 (commencing with Section 22620) of Part 2 of Division 15 of the Streets and Highway Code of the State of California, and ordering the engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of said Act.

WHEREAS, the CITY COUNCIL of the CITY OF GRAND TERRACE, CALIFORNIA, desires to initiate proceedings for the annual levy of assessments for the District pursuant to the terms and provisions of the "Landscaping and Street Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California.

WHEREAS, the proceedings for the annual levy of assessments shall relate to the fiscal year commencing **July 1, 2025**, and ending **June 30, 2026**; and,

WHEREAS, the provisions of said Division 15, Part 2 require a written "Report," consisting of the following:

1. Plans and specifications of the area of the works of improvement to be maintained;
2. An estimate of the costs for maintaining the improvements for the above referenced fiscal year;
3. A diagram of the area proposed to be assessed;
4. An assessment of the estimated costs for maintenance work for said fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the proposed maintenance work within the area proposed to be assessed shall be for certain street lighting and landscaping improvements, as said maintenance work is set forth in the "Report" to be presented to this City Council for consideration.

SECTION 3. That Shanita Tillman, Management Analyst, or her designee, is hereby ordered to prepare and file with this City Council, a "Report" relating to said annual assessment and levy in accordance with the provisions of Article IV, commencing with Section 22565 of Chapter 1 of the Streets and Highways Code of the State of California.

SECTION 4. That upon completion, said "Report" shall be filed with the City Clerk, who shall then submit the same to this City Council for its consideration pursuant to Sections 22623 and 22624 of said Streets and Highways Code.

PASSED, APPROVED AND ADOPTED this 13th day of May, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk, City of Grand Terrace

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF GRAND TERRACE)

I, _____, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____ was duly passed, approved and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

EXECUTED this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer
City Clerk for the City of Grand Terrace

[SEAL]

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, GIVING PRELIMINARY APPROVAL OF THE ENGINEERS REPORT FOR LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1, AND THE LEVY AND COLLECTION OF ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2025/2026

WHEREAS, the CITY COUNCIL of the CITY OF GRAND TERRACE, CALIFORNIA, (hereinafter referred to as the "City") pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's Report (hereinafter referred to as the "Report") for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as:

CITY OF GRAND TERRACE

LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1

(hereinafter referred to as the "District"); and,

WHEREAS, there has now been presented to this City Council the Report as required by Article 4 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the Report as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the proposed assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said Report.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City does hereby resolve, determine and order as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the Report as presented, consisting of the following:

- A. Plans and specifications;
- B. Method of Apportionment;
- C. Estimate of cost;
- D. Assessment Diagram of the District;
- E. Assessment of the estimated cost;

is hereby approved on a preliminary basis, and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Report.

PASSED, APPROVED AND ADOPTED this day of 13th May 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF GRAND TERRACE)

I, Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO
HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____
was duly passed, approved, and adopted by the City Council, approved and signed by
the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council
held on the 13th day of May 2025, and that the same was passed and adopted by the
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer

City Clerk for the City of Grand Terrace

[SEAL]

RESOLUTION NO. 2025- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING ON JUNE 10TH, 2025, ON LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1, AND TO LEVY AND COLLECT ANNUAL ASSESSMENTS RELATED THERETO FOR FISCAL YEAR 2025-2026

WHEREAS, the CITY COUNCIL of the CITY OF GRAND TERRACE, CALIFORNIA, (hereafter referred to as the "City Council") desires to levy assessments within **LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1** (hereafter referred to as the "District") pursuant to the terms and provisions of the "Landscaping and Street Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California (hereafter referred to as the "Act"); and,

WHEREAS, at this time, this City Council is desirous to provide for an annual levy of assessments for the territory within the District for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's Report (hereafter referred to as the "Report") as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

SECTION 1. That the above recitals are all true and correct.

PUBLIC INTEREST

SECTION 2. Pursuant to the Act (specifically, Streets and Highways Code Section 22624), the City Council hereby finds and declares that the public interest and necessity require the maintenance and servicing of landscaping and public lighting facilities in the District, and contingent upon compliance with, as applicable, the requirements of the Act, Article XIID of the California Constitution (commonly known as "Proposition 218") and the Proposition 218 Omnibus Implementation Act (set forth at Government Code Sections 53750-53758), the City Council hereby declares its intention to levy and collect proposed assessments within the District for the continual maintenance of certain improvements, all to serve and benefit said District that is comprised of zones located throughout the City of Grand Terrace and said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City

Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the Report of the Engineer, incorporated herein as a part hereof.

REPORT

SECTION 3. That the Report of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2025-2026 is hereby approved and is directed to be filed in the Office of the City Clerk.

ASSESSMENT

SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect the annual assessments to pay the costs and expense of said maintenance and improvement as estimated in said "Report. There is an assessment increase for the Fiscal Year 2025-2026 levy for Zone 4, Zone 5, Zone 6 and Zone 7.

SECTION 5. In accordance with Streets and Highways Code Section 22660(a), the City Council has determined that the estimated cost of certain proposed improvements, described in Section 22525, subdivisions (a) through (d), are greater than can conveniently be raised from a single assessment, and, as a result, shall be collected in installments and held in a reserve account, as noted in the Engineer's Report.

DESCRIPTION OF MAINTENANCE

SECTION 6. The assessments levied and collected shall be for the maintenance of certain landscaping and street lighting improvements including but not limited to: planting, shrubbery and tree maintenance, light poles, light fixtures and appurtenant facilities as required to provide lighting in public right-of-ways and easements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

SECTION 8. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said District.

SPECIAL FUND

SECTION 9. That all monies collected shall be deposited in a special fund known as

"SPECIAL FUND", CITY OF GRAND TERRACE LANDSCAPING AND STREET LIGHTING DISTRICT NO. 89-1

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF DISTRICT

SECTION 10. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council hereby declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said District shall include each and every parcel of land within the boundaries of said District, as said District is shown on a map as approved by this City Council and on file in the Office of the City Clerk, and so designated by the name of the District.

NOTICE OF PUBLIC HEARING

SECTION 11. NOTICE IS HEREBY GIVEN THAT TUESDAY, JUNE 10TH, 2025, AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE CITY COUNCIL CHAMBERS LOCATED AT 22795 BARTON ROAD, GRAND TERRACE, CALIFORNIA, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION BY THOSE PROPERTY OWNERS AFFECTED HEREBY. ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

SECTION 12. The City Clerk is directed to publish this Resolution of Intention pursuant to Government Code Section 6061, said publication to be completed no later than ten (10) days prior to the date set for the Public Hearing.

EFFECTIVE DATE

SECTION 13. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 14. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Shanita Tillman, Management Analyst
CITY OF GRAND TERRACE
22795 Barton Road
Grand Terrace, California 92313

PASSED, APPROVED AND ADOPTED this 13th day of May, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Bill Hussey
Mayor for the City of Grand Terrace

ATTEST:

Daysi Alcoler
City Clerk for the City of Grand Terrace

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF GRAND TERRACE)

I, Daysi Alcoler, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO
HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____
was duly passed, approved and adopted by the City Council, approved and signed by the
Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held
on the 13th day of May 2025, and that the same was passed and adopted by the following
vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

EXECUTED this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcoler
City Clerk for the City of Grand Terrace

[SEAL]



City of Grand Terrace

Landscaping and Lighting Assessment District No. 89-1

2025/2026 ENGINEER'S REPORT

Intent Meeting: May 13, 2025
Public Hearing: June 10, 2025

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ENGINEER'S REPORT AFFIDAVIT

Establishment of Annual Assessments for the:

Landscaping and Lighting Assessment District No. 89-1

City of Grand Terrace,
County of San Bernardino, State of California

This Report describes the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2025/2026. Reference is hereby made to the San Bernardino County Assessor's maps for a detailed description of the lines and dimensions of the parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2025.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Grand Terrace

By: _____

Chonney Gano, Project Manager
District Administration Services

By: _____

Tyrone Peter
P. E. # C 81888

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INTRODUCTION

The City Council of the City of Grand Terrace (the “City”) adopted its General Plan with various elements to provide guidelines for orderly development within the community. The City Council further adopted ordinances and regulations governing the development of land providing for the installation and construction of certain landscaping, lighting and appurtenant facilities to enhance the quality of life and to benefit the value of property.

The requirement for the construction and installation of landscaping, lighting and appurtenant facilities is a condition of approval for development and is a requirement of issuance of a permit for the construction of any residential, commercial, industrial and planned unit development. The installation of landscaping and lighting systems and the construction of the necessary appurtenant facilities is the responsibility of the property owner/applicant, as conditions of approval of a development application. The City may cause the installation by property owners directly or accept financial arrangements for installation of these facilities. The cost of servicing, operation, maintenance, repair and replacement of the landscaping, lighting and appurtenant facilities in turn becomes the responsibility of the benefiting properties.

The owners/applicants petitioned for formation of the Landscaping Lighting Assessment District and/or annexation. These have been completed and will increase the City’s obligation for maintenance and servicing.

The City is administering a lighting system for the benefit of all parcels of land within the City. The lighting benefit is directly related to public safety and property protection. These benefits have been studied widely, locally, regionally and nationally.

The City formed Landscaping and Lighting Assessment District 89-1 (the “District”) in 1989 and subsequently annexed other parcels as Annexation No. 1, Annexation No. 2 Annexation No. 3, Annexation No. 4, and Annexation No. 5 to said District to ensure a fair and equitable levying of the necessary costs of servicing and maintenance of the respective facilities, which in turn will enhance the value of each parcel in the District directly and collectively.

The boundaries of the District, which include Annexations 1, 2, 3, 4, and 5 are the boundaries of Zone 1 - Tract 13364 filed in Map Book 203, Pages 89 through 92, Records of San Bernardino County (the “County”). The boundaries of Zone 2 - Tract 14264 and Zone 3 – Tract 14471 filed in Map Book 242, Pages 17 and 18, Zone 4 – Tract 17766 filed in Map Book 237, Pages 41 and 42, and Zone 5 – Tract 18793 filed in Map Book 115, Pages 81-82. The boundaries of Zone 6 – Tract 18071 and Zone 7 –18604 filed in Map Book 1178 Page 18 and Map Book 1167 Page 34, respectively, of the County.

Servicing and administration of the City’s landscape maintenance program shall be according to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California (the “1972 Act”).

Payment for the assessment for each parcel will be made in the same manner and at the

same time as payments are made for property taxes for each property.

The proceedings will be conducted under the 1972 Act Sections 22500 through 22679.

This Engineer's Report (the "Report") is presented for the purpose of levy of annual assessment to the above-described properties for the purpose of maintaining the lighting and landscaping during the Fiscal Year 2025/2026.

This Report contains the necessary data required to conduct the proceedings and is submitted to the Clerk of the City for filing.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the San Bernardino County (the "County") Assessor's Office. The County Auditor/Controller uses Assessor's Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of the following sections:

Section I

Plans and Specifications: Description of the District's improvements are filed herewith and made a part hereof. Said plans and specifications are on file in the Office of the City Clerk.

Section II

Method of Apportionment: A discussion of the general and special benefits associated with the overall landscaping street lighting improvements provided within the District (Proposition 218 Benefit Analysis). This section also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit.

Section III

Estimate of Improvement Costs: An estimate of the cost of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk.

Section IV

Assessment Diagrams: A diagram showing the boundaries of the District is provided in this Report and includes all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Section V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for Fiscal Year 2025/2026.

Section I. PLANS AND SPECIFICATIONS

Improvements Authorized by the 1972 Act

As applicable or may be applicable to this District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing, or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the Report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting, and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

District Plans and Specifications

The District provides the necessary funding source for the annual maintenance, operation and servicing of the improvements that have been constructed and installed for the benefit of properties within the District.

Landscaping and appurtenant facilities generally include trees, shrubs, plants, turf, irrigation systems, and necessary appurtenances including curbs, hardscape, monumentations, fencing located in public right-of-ways, medians, parkways, and/or easements adjacent to public right-of-ways, in and along public thoroughfares and certain designated primary and secondary arterials.

Lighting and appurtenant facilities includes poles, lighting fixtures, conduits, and the necessary equipment to maintain, operate and replace a lighting system at designated

intersections, in medians, parkways and adjacent to certain public facilities in and along certain streets, right-of-ways and designated lots.

The installation of planting, landscaping, irrigation systems, lighting and the construction of appurtenant facilities to be operated, serviced and maintained, is more specifically described herein whereas, the landscaping and lighting facilities have been or will be provided by developers as a condition of subdivision of land, on part of the Conditional Use review and approval process.

A. ZONES OF BENEFIT

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District is established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

The parcels, lots, subdivisions and developments within the District are identified and grouped into one of seven (7) Zones. Each Zone reflects the landscape improvements associated with the development of properties in that Zone, to fairly and equitably apportion the net cost of providing those improvements to the properties that receive special benefits from the service and activities associated with those improvements. All of the parcels in the District are identified as single-family residential properties within three residential developments. These residential developments have been grouped into seven different Zones that reflect each specific budget and improvements for that particular Zone. By establishing and utilizing a Zone structure, similar properties with similar types of improvements will be assessed a proportional amount for the services and activities provided by the District within each respective Zone.

The improvements are the operation, maintenance and servicing of landscaping, lighting and appurtenant facilities described as follows:

Zone 1 - Tract 13364

(a) Landscaping

Landscaping, planting, shrubbery, trees, turf, irrigation systems, monuments, hardscapes, walls, fencing and appurtenant facilities in public right-of-ways and easements within the proposed boundary of the District.

(b) Lighting

Poles, fixtures, bulbs, conduits, equipment posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 5 streetlights are included in the boundaries of this development.

Zone 2 - Tract 14264

(a) Lighting

Poles, fixtures, bulbs, conduits, equipment, posts, pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 7 streetlights are included in the boundaries of this development.

Zone 3 - Tract 14471

(a) Landscaping

Landscaping, planting shrubbery, trees, and vines with Lot "A" of said Tract 14471, along with irrigation system for the improvements within Lot "A".

(b) Lighting

Poles, fixtures, conduits, equipment, posts, pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the boundaries of the District. A total of 6 streetlights are maintained within the boundaries of this development.

Zone 4 – Tract 17766

(a) Landscaping

Landscaping, planting, shrubbery, trees, turf, irrigation systems, monuments, hardscapes, walls, fencing and appurtenant facilities in public right-of-ways and easements within the proposed boundary of the District.

(b) Lighting

Poles, fixtures, bulbs, conduits, equipment posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 1 streetlight is included in the boundaries of this development.

Zone 5 – Tract 18793

(a) Landscaping

Landscaping, planting, shrubbery, trees, turf, irrigation systems, monuments, hardscapes, walls, fencing and appurtenant facilities in public right-of-ways and easements within the proposed boundary of the District.

(b) Lighting

Poles, fixtures, bulbs, conduits, equipment posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 5 streetlights are included in the boundaries of this development.

Zone 6 – Tract 18071

(a) Landscaping

Landscaping, planting, shrubbery, trees, turf, irrigation systems, monuments, hardscapes, walls, fencing and appurtenant facilities in public right-of-ways and easements within the proposed boundary of the District.

Additionally, the District will include the maintenance of a water quality basin, designed for storm water runoff purposes.

(b) Lighting

Poles, fixtures, bulbs, conduits, equipment posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 4 streetlights are included in the boundaries of this development.

Zone 7 – Tract 18604

(a) Landscaping

Landscaping, planting, shrubbery, trees, turf, irrigation systems, monuments, hardscapes, walls, fencing and appurtenant facilities in public right-of-ways and easements within the proposed boundary of the District.

Additionally, the District will include graffiti removal on the block wall along the east side of the Gage Canal within the western boundary of the tract, streetlights, and street trees along Tesoro Court and Van Buren Street. Lot “B” of said tract is designated as a retention basin and will be maintained as a dual-purpose basin, for retaining water and for a small playground.

(b) Lighting

Poles, fixtures, bulbs, conduits, equipment posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public right-of-ways and easements within the proposed boundaries of the District. A total of 3 streetlights are included in the boundaries of this development.

Section II. METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation, and servicing of street lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formulas used for calculating assessments reflect the composition of parcels within the District (which are all residential properties) and the improvements and activities to be provided and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel within each Zone, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution (“Article XIID”). For each Zone within the District, each parcel represents one (1) Equivalent Benefit Unit (“EBU”).

The following formula is used to arrive at the levy amount for each parcel within each Zone:

$$\frac{\text{Total Balance to Levy}}{\text{Total EBU}} = \text{Levy per EBU}$$

$$\text{Levy per EBU (rate)} \times \text{Parcel's EBU} = \text{Parcel Levy Amount}$$

Proposition 218 Benefit Analysis

The costs of the proposed improvements for Fiscal Year 2025/2026 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are public street lighting and landscaping improvements. These improvements generally were installed in connection with the development of the properties within the District. Article XIIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIIID Section 2(i) defines Special benefit as follows:

“Special benefit” means a particular and distinct benefit over, and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIIID Section 4(a) defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Benefit Analysis

Special Benefit

The special benefits properties within the District will receive from the proposed improvements include, but are not limited to:

- Improved aesthetic appeal of nearby properties providing a positive representation of the area and properties.
- Enhanced adaptation of adequate green space, trees, and amenities within the urban environment.

- Increased sense of pride in ownership of properties within the District resulting from their association with well-maintained improvements.
- Enhanced quality of life and working environment within the area that is promoted by well-maintained landscaped areas and amenities.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings and amenities within public areas.
- Increased social opportunities and leisure activities for customer's residents and families, provided by a well-maintained neighborhood destination place for relaxation, socializing, and entertainment that is within easy walking distance.
- Enhanced environmental quality of the parcels by moderating temperatures, providing oxygenation and attenuating noise.

The preceding special benefits contribute to the overall aesthetic value and desirability of each of the assessed parcels within the District and thereby provide a special enhancement to these properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the improvements would ultimately result in the deterioration of the improvements and facilities, which in turn could negatively impact the properties within the District. As such, the annual costs of ensuring the ongoing maintenance and operation of these improvements are considered a distinct and special benefit to the properties within the District and are therefore considered the financial obligation of those properties. The cost of any improvement or portion thereof that is considered to be of general benefit shall not be included as part of the special benefit assessments allocated to properties within the District.

General Benefit

In the absence of a special funding District, the City would typically provide only weed abatement and erosion control services for landscaped areas. The cost to provide this baseline level of service is approximately \$0.01 per square foot for landscape areas that require maintenance. Zone 1 – Tract 13364 has approximately 29,100 square feet of landscape space, Zone 2 – Tract 14264 has no landscaping area that the City maintains and Zone 3 – Tract 14471 has approximately 9,045 square feet of landscape space, Zone 4 – Tract 17766 has approximately 3,856 square feet of landscaped space, Zone 5 – Tract 18793 has approximately 4,668 square feet of landscaped space, Zone 6 – Tract 18071 has approximately 61,750 square feet of landscaped space, Zone 7 – Tract 18604 has approximately 3,239 square feet of landscaped space. The proposed budgets for Fiscal Year 2025/2026 show the general benefit amount which will be deducted from the cost of maintenance to arrive at a net special benefit assessment rate.

Assessment Methodology

This District was formed to establish and provide for the improvements that enhance the presentation of the surrounding properties and developments. These improvements will directly benefit the parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used to construct and install landscape and lighting improvements within the existing District as well as provide for the annual maintenance of those improvements, and the assessment revenues generated by District will be used solely for such purposes.

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as an essential component and local amenity that provides a direct reflection and extension of the properties within the District which the property owners and residents have expressed a high level of support.

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from the landscape and lighting improvements within the District, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District.

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, balloting of property owners is required pursuant to the Article XIID Section 4. The property owner ballots include an Assessment to be

approved, as well as the approval of an assessment range formula.

The assessment range formula for District assessments may be applied to future assessments within the District commencing with Fiscal Year 2018/2019 for Zone 4 – Tract 17766 and Zone 5 – Tract 18793, Fiscal Year 2019/2020 for Zone 6 – Tract 18071 and Fiscal Year 2020/2021 for Zone 7. Zone 1 – Tract 13364, Zone 2 – Tract 14264 and Zone 3 – Tract 14471 do not have an increase in assessments. The following describes the assessment range formula:

The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the percentage increase of the Local Consumer Price Index (“CPI”) plus two percent (2%). As of January 2018, the Bureau of Labor Statistics (the “BLS”) split the Los Angeles-Riverside-Orange County Area for all Urban Consumers to Los Angeles-Long Beach-Anaheim area and Riverside-San Bernardino-Ontario Area. Each fiscal year, the Maximum Assessment will be recalculated, and a new Maximum Assessment established. Currently, the District uses the Annual Riverside-San Bernardino-Ontario CPI index to compute the CPI difference each year. For Fiscal Year 2025/2026, the percentage difference is 2.614%. Therefore, the Maximum Assessment will increase by 4.614%.

The Maximum Assessment is adjusted annually and is calculated independent of the annual budgets and proposed assessments established for each Zone of the District. Any proposed annual assessment (rate per EBU) less than or equal to this Maximum Assessment (for each Zone) is not considered an increased assessment, even if the proposed assessment is much greater than the assessment applied in the prior fiscal year.

Section III. ESTIMATE OF IMPROVEMENT COSTS

In accordance with Streets and Highways Code Section 22660(a), the City Council has determined that the estimated cost of certain proposed improvements, described in Section 22525, subdivisions (a) through (d), are greater than can conveniently be raised from a single assessment, and, as a result, shall be collected in installments and held in a reserve account. In particular, Zone 1, Zone 3, Zone 4, Zone 5, Zone 6, and Zone 7 requires trimming and pruning landscaping services that are proposed to be performed every five years. The proposed assessment includes a budgeted amount for trimming and pruning to collect for these services.

The following outlines the budget to fund the District improvements based on the improvements to be maintained and the associated incidental expenses for Fiscal Year 2025/2026, resulting in the proportional assessments calculated for each parcel that will be applied to the County Tax Rolls for Fiscal Year 2025/2026. The cost of maintaining improvements for Fiscal Year 2025/2026 are summarized as follows:

Zone 1 Tract 13364 – Canal

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs – Street Lighting	\$920.00
Water Supply	13,000.00
Professional Services	680.00
Contract Maintenance	1,800.00
Engineering	500.00
Annual Costs Total	\$16,900.00
General Benefit - Collection/(Contribution)	(291.00)
General Fund - Collection/(Contribution)	(10,962.40)
Balance to Levy	\$5,646.60
Fiscal Year 2025/26 Assessment per Parcel	\$282.33
Fiscal Year 2025/26 Max Assessment per Parcel	\$282.3300
Fiscal Year 2024/25 Max Assessment per Parcel	\$282.3300
Number of Parcels (EBU)	20

Zone 2 Tract 14264 – Forrest City Phase II

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs – Street Lighting	\$1,100.00
Professional Services	670.00
Engineering	500.00
Annual Costs Total	\$2,270.00
General Benefit - Collection/(Contribution)*	0.00
General Fund - Collection/(Contribution)	(854.36)
Balance to Levy	\$1,415.64
Fiscal Year 2025/26 Assessment per Parcel	\$1,415.64
Fiscal Year 2025/26 Max Assessment per Parcel	\$1,415.6400
Fiscal Year 2024/25 Max Assessment per Parcel	\$1,415.6400
Number of Parcels (EBU)	1

*Parcels under zone 2 receive no General Benefit, because there is no landscaping.

Zone 3 Tract 14471 – Oriole

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs – Street Lighting	\$780.00
Water Supply	1,200.00
Contractual Services	960.00
Engineering	500.00
Annual Costs Total	\$3,440.00
General Benefit - Collection/(Contribution)*	(90.45)
Reserve Fund - Collection/(Contribution)	0.00
General Fund - Collection/(Contribution)	0.00
Balance to Levy	\$3,349.55
Fiscal Year 2025/26 Assessment per Parcel	\$197.03
Fiscal Year 2025/26 Max Assessment per Parcel	\$309.9500
Fiscal Year 2024/25 Max Assessment per Parcel	\$309.9500
Number of Parcels (EBU)	17

Zone 4 Tract 17766 – Greenbriar

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs – Street Lighting	\$195.00
Professional Services	500.00
Engineering	500.00
Annual Costs Total	\$1,195.00
General Benefit - Collection/(Contribution)	(38.56)
HOA - Collection/(Contribution)	0.00
Reserve Fund - Collection/(Contribution)	0.00
General Fund - Collection/(Contribution)	0.00
Balance to Levy	\$1,156.44
Fiscal Year 2025/26 Assessment per Parcel	\$33.04
Fiscal Year 2025/26 Max Assessment per Parcel	\$230.4285
Fiscal Year 2024/25 Max Assessment per Parcel	\$220.2643
Number of Parcels (EBU)	35

Zone 5 Tract 18793 – Palomino

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs – Street Lighting	\$840.00
Professional Services	0.00
Contractual Services	200.00
Engineering	500.00
Annual Costs Total	\$1,540.00
General Benefit - Collection/(Contribution)	(46.68)
Reserve Fund - Collection/(Contribution)	0.00
General Fund - Collection/(Contribution)	0.00
Balance to Levy	\$1,493.32
Fiscal Year 2025/26 Assessment per Parcel	\$124.44
Fiscal Year 2025/26 Max Assessment per Parcel	\$722.7466
Fiscal Year 2024/25 Max Assessment per Parcel	\$690.8663
Number of Parcels (EBU)	12

Zone 6 Tract 18071 – Jaden

Budget Item	Fiscal Year 2025/26 Current Assessment
Energy Costs - Street Lighting	\$2,500.00
Contractual Services	12,660.00
Engineering	500.00
Annual Costs Total	\$15,660.00
General Benefit - Collection/(Contribution)	(617.50)
Reserve Fund - Collection/(Contribution)	0.00
General Fund - Collection/(Contribution)	0.00
Balance to Levy	\$15,042.50
Fiscal Year 2025/26 Assessment per Parcel	\$884.85
Fiscal Year 2025/26 Max Assessment per Parcel	\$2,078.6312
Fiscal Year 2024/25 Max Assessment per Parcel	\$1,986.9430
Number of Parcels (EBU)	17

Zone 7 Tract 18604 – Tesoro/Van Buren

Budget Item	Fiscal Year 2025/26 Current Assessment
Contractual Services	\$0.00
Engineering	500.00
Annual Costs Total	\$500.00
General Benefit - Collection/(Contribution)	(32.39)
Reserve Fund - Collection/(Contribution)	0.00
General Fund - Collection/(Contribution)	0.00
Balance to Levy	\$467.61
Fiscal Year 2025/26 Assessment per Parcel	\$27.51
Fiscal Year 2025/26 Max Assessment per Parcel	\$459.5458
Fiscal Year 2024/25 Max Assessment per Parcel	\$439.2752
Number of Parcels (EBU)	17

The total approved assessment for Fiscal Year 2025/2026 is \$28,571.55.

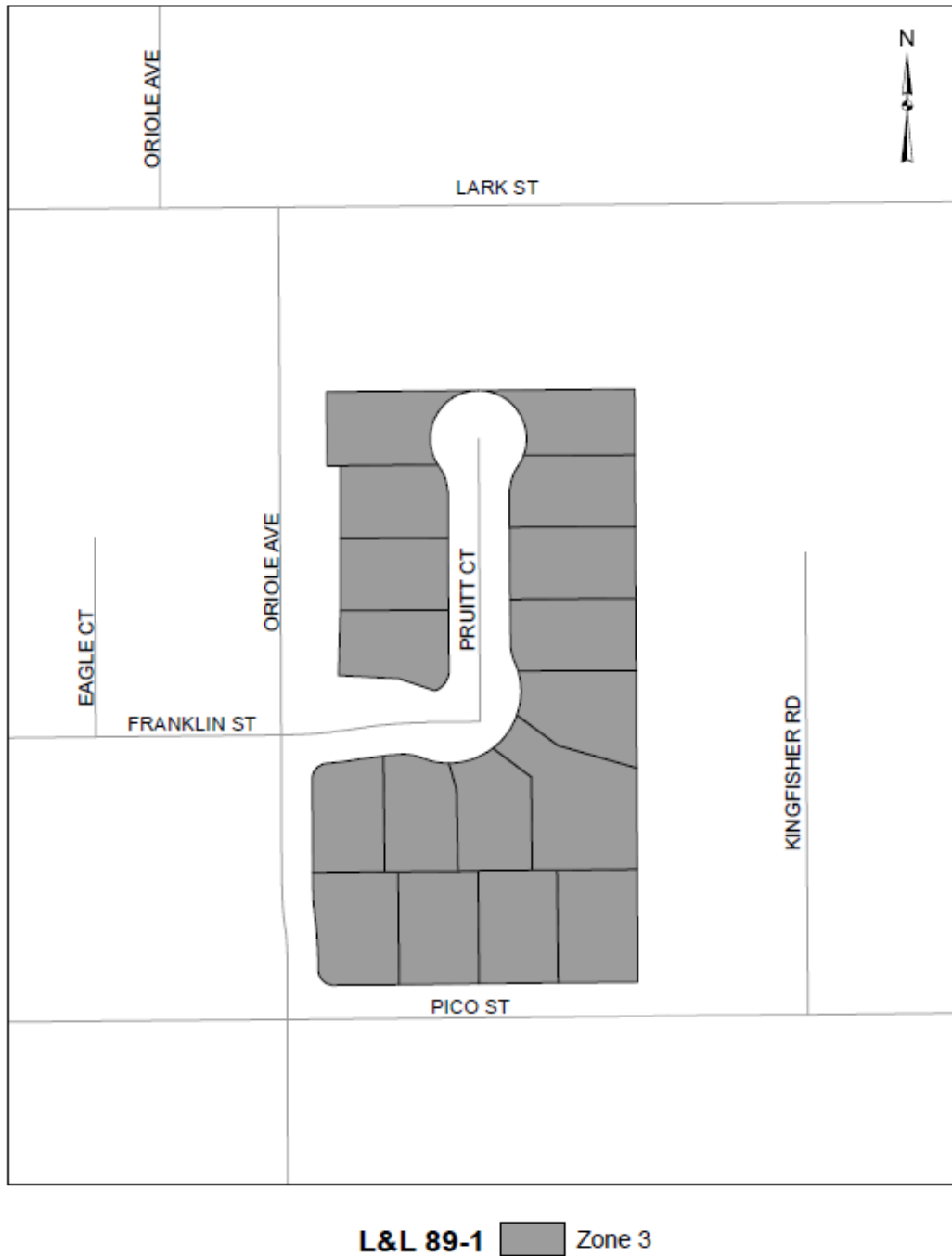
Section IV. ASSESSMENT DIAGRAMS

An Assessment Diagram for the District has been submitted to the Clerk of the City in the format required under the provision of the Act. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of San Bernardino, for the year when this Report was prepared, and are incorporated by reference herein and made part of this Report. The following pages show the boundaries of each of the Zones in the District.

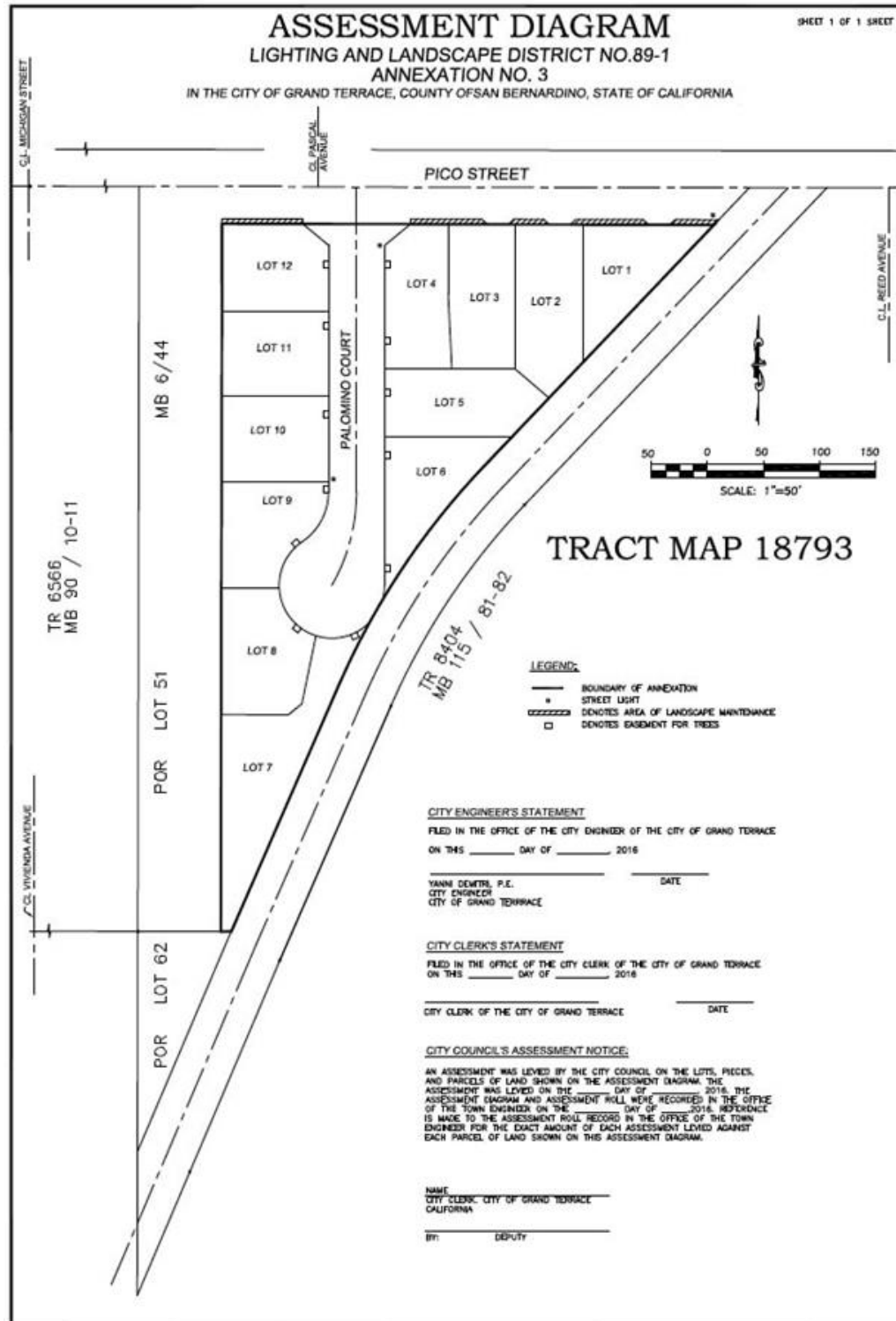
CITY OF GRAND TERRACE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1 ZONES 1 & 2



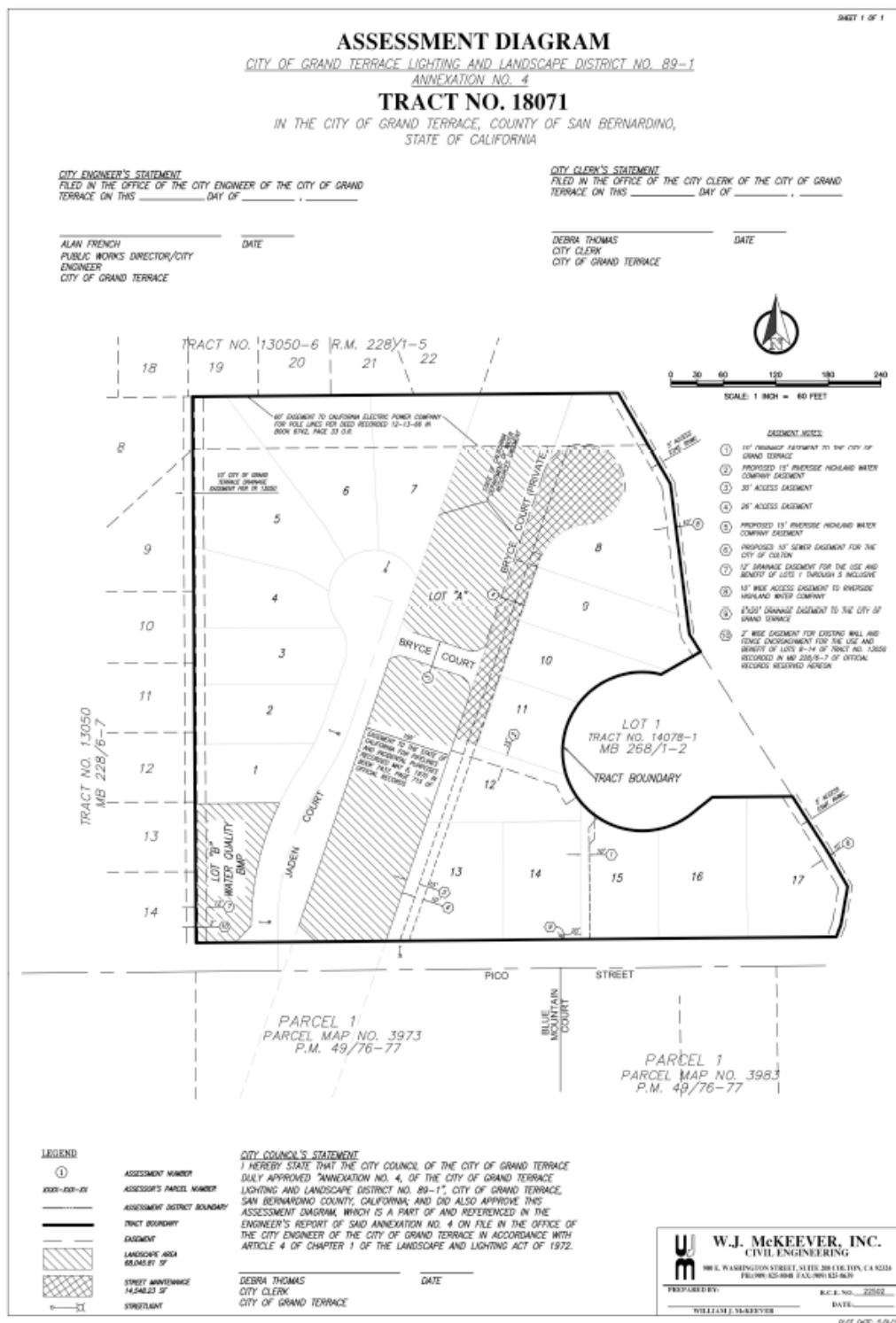
CITY OF GRAND TERRACE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 89-1 ZONE 3



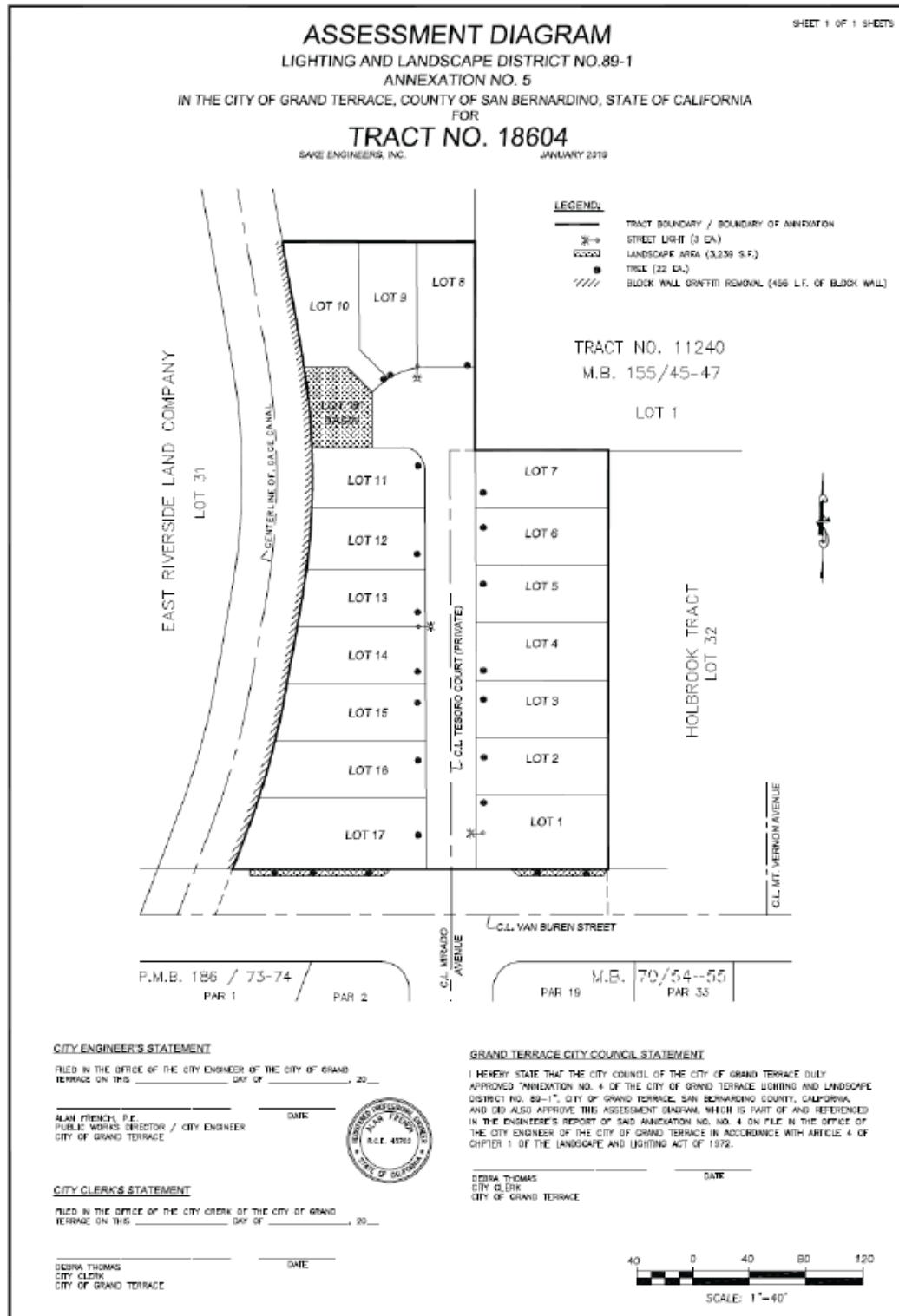
CITY OF GRAND TERRACE LANDSCAPE AND LIGHTING ASSESMENT DISTRICT ZONE 5



CITY OF GRAND TERRACE LANDSCAPE AND LIGHTING ASSESMENT DISTRICT Zone 6



CITY OF GRAND TERRACE LANDSCAPE AND LIGHTING ASSESMENT DISTRICT ZONE 7



Section V. ASSESSMENT ROLL

The description of each lot or parcel is part of the records of the Assessor of the County of San Bernardino and these records are, by reference, made part of this Report. The proposed assessment and the amount of assessment for Fiscal Year 2025/2026 apportioned to each lot or parcel is shown below.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: 2025-2026 Trash and Sewer Special Assessments: Intent to Levy and Schedule Public Hearing

PRESENTED BY:

RECOMMENDATION: 1. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING ON JULY 8, 2025, TO LEVY AND COLLECT SPECIAL ASSESSMENTS FOR DELINQUENT TRASH AND SEWER BILLS FOR FISCAL YEAR 2025-2026, AND TO PLACE THESE ASSESSMENTS ON THE TAX ROLL.
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, INITIATING PROCEEDINGS TO LEVY SPECIAL ASSESSMENTS FOR DELINQUENT TRASH AND SEWER BILLS FOR THE 2025-2026 FISCAL YEAR AND ORDERING THE CITY MANAGER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH THE RELEVANT PROCEDURES FOR PLACEMENT ON THE TAX ROLL.

2030 VISION STATEMENT:

This report supports the 2030 Vision Statement by ensuring fiscal responsibility through the collection of delinquent trash and sewer bills, while maintaining equitable access to public services and adhering to legal and procedural standards.

BACKGROUND:

In 1981, the City Council enacted Ordinance No. 51, which established rules for sewer user charges, requiring anyone using the city's sewer system to pay a fee.

In 1996, the City Council adopted Ordinance No. 162, which created Municipal Code Chapter 5.42 (Integrated Waste Management). This code was designed to regulate waste management services and prevent illegal dumping. It also mandated that the franchise hauler, Burrtec Waste Industries, Inc. (Burrtec), collect trash and make efforts to ensure the collection of fees for the service.

DISCUSSION:

Municipal Code Sections 5.42.120 and 13.08.130 outline property owners' responsibilities for paying refuse and sewer fees, as well as the consequences of non-payment. When property owners fail to pay these fees, the City utilizes legal remedies to recover the amounts owed. Burrtec reports unpaid residential trash and sewer fees, while the City of Colton reports unpaid commercial sewer fees. These outstanding amounts are then included in property tax assessments and collected along with property taxes. A public hearing is scheduled for July 8, 2025, to address delinquent accounts.

ENVIRONMENTAL IMPACT:

There is no environmental impact.

FISCAL IMPACT:

Setting the public hearing has no fiscal impact.

RESOLUTION NO. 2025- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING ON [DATE], TO LEVY AND COLLECT SPECIAL ASSESSMENTS FOR DELINQUENT TRASH AND SEWER BILLS FOR FISCAL YEAR 2025-2026, AND TO PLACE THESE ASSESSMENTS ON THE TAX ROLL.

WHEREAS, the CITY COUNCIL of the CITY OF GRAND TERRACE, CALIFORNIA, (hereafter referred to as the “City Council”) desires to levy assessments to collect delinquent trash and sewer bills for the 2025-2026 fiscal year pursuant to the relevant legal authority, and place these assessments on the tax roll; and,

WHEREAS, the City Council intends to provide notice of its intention to conduct a public hearing regarding the proposed levy of special assessments to recover unpaid trash and sewer charges from property owners within the City, and,

WHEREAS, this assessment process is being conducted in accordance with Chapter 4.72 of the Grand Terrace Municipal Code, Health and Safety Code section 5471, Government Code sections 38790.1, 25830, 25831, and 5471, and Public Resources Code Section 40059, and the provisions set forth in Articles XIII C and XIII D of the California Constitution, commonly known as Proposition 218, which require that any property-related fees or charges, including assessments for delinquent trash and sewer bills, be subject to certain procedures, including notice, a public hearing, and the opportunity for property owners to file protests.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

SECTION 1. That the above recitals are all true and correct.

PUBLIC INTEREST

SECTION 2. The City Council hereby finds and declares that the public interest and necessity require the collection of delinquent trash and sewer bills through special assessments, which will be placed on the tax roll. This process will allow for the recovery of outstanding charges associated with unpaid trash and sewer bills for fiscal year 2025-2026 in compliance with Chapter 4.72 of the Grand Terrace Municipal Code, Health and Safety Code section 5471, Government Code sections 38790.1, 25830, 25831, and 5471, and Public Resources Code Section 40059, and Article XIII D of the California Constitution (Proposition 218).

ASSESSMENT AND COLLECTION

SECTION 3. The City Council declares its intention to levy and collect the special assessments for delinquent trash and sewer bills, and that these assessments will be placed on the tax roll, as authorized by Chapter 4.72 of the Grand Terrace Municipal Code, Health and Safety Code section 5471, Government Code sections 38790.1, 25830, 25831, and 5471, and Public Resources Code Section 40059, and Article XIII C and Article XIII D of the California Constitution.

NOTICE OF PUBLIC HEARING

SECTION 4. NOTICE IS HEREBY GIVEN that on July 8, 2025, at the hour of 6:00 P.M., in the City Council Chambers located at 22795 Barton Road, Grand Terrace, California, a public hearing will be held to receive protests or objections from property owners concerning the proposed special assessments for delinquent trash and sewer charges for fiscal year 2025-2026. Any person wishing to object to the proposed assessments must file a written protest with the City Clerk prior to the scheduled public hearing.

SECTION 5. The City Clerk is directed to publish this Resolution of Intention pursuant to Government Code Section 6061, with publication to be completed no later than ten (10) days prior to the date set for the public hearing. Staff is directed to mail notice of the hearing to all property owners or users listed on the report for the proposed special assessments related to delinquent trash and sewer bills not less than 45 days prior to the date of the hearing.

EFFECTIVE DATE

SECTION 6. This Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 7. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

Shanita Tillman, Management Analyst
CITY OF GRAND TERRACE
22795 Barton Road
Grand Terrace, California 92313

PASSED, APPROVED AND ADOPTED this 13th day of May, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Bill Hussey

Mayor for the City of Grand Terrace

ATTEST:

Daysi Alcoler

City Clerk for the City of Grand Terrace

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF GRAND TERRACE)

I, Daysi Alcoler, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, do hereby certify that the foregoing Resolution, being Resolution No. 2025- _____, was duly passed, approved, and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

EXECUTED this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer
City Clerk for the City of Grand Terrace

[SEAL]

RESOLUTION NO. 2025-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, INITIATING PROCEEDINGS TO LEVY SPECIAL ASSESSMENTS FOR DELINQUENT TRASH AND SEWER BILLS FOR THE 2025-2026 FISCAL YEAR AND ORDERING THE CITY MANAGER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH THE RELEVANT PROCEDURES FOR PLACEMENT ON THE TAX ROLL.

WHEREAS, the CITY COUNCIL of the CITY OF GRAND TERRACE, CALIFORNIA, (hereafter referred to as the "City Council") desires to initiate proceedings to levy special assessments for delinquent trash and sewer bills for the 2025-2026 fiscal year and place these assessments on the tax roll; and,

WHEREAS, the City Council intends to provide notice of its intention to levy special assessments for the collection of delinquent trash and sewer bills from property owners within the City, and place those assessments on the tax roll for fiscal year 2025-2026; and,

WHEREAS, the proceedings for the levy of special assessments are being conducted in accordance with Chapter 4.72 of the Grand Terrace Municipal Code, Health and Safety Code section 5471, Government Code sections 38790.1, 25830, 25831, and 5471, and Public Resources Code Section 40059, and the provisions of Articles XIII C and XIII D of the California Constitution (Proposition 218), which govern the process for collecting delinquent property-related charges, including the public hearing and notification requirements; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the City Council hereby initiates proceedings to levy special assessments for delinquent trash and sewer bills for the 2025-2026 fiscal year and to place these assessments on the tax roll.

SECTION 3. That the City Manager, or their designee, is hereby ordered to prepare and file a report for the proposed special assessments related to delinquent trash and sewer bills in accordance with the relevant provisions of Chapter 4.72 of the Grand Terrace Municipal Code, Health and Safety Code section 5471, Government Code sections 38790.1, 25830, 25831, and 5471, and Public Resources Code Section 40059 Proposition 218 (Articles XIII C and XIII D of the California Constitution).

SECTION 4. That upon completion, the report shall be filed with the City Clerk, who will submit it to the City Council for review and consideration prior to the public hearing on the proposed assessments.

PASSED, APPROVED AND ADOPTED this 13th day of May, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk, City of Grand Terrace

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF GRAND TERRACE)

I, _____, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____, was duly passed, approved, and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

EXECUTED this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer
City Clerk for the City of Grand Terrace

[SEAL]



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Intent to Update Facility Use Fees

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION: Approve the intent to hold a public hearing on the revised Facility Use Agreement, which includes clarifying applicant responsibilities, implementing a setup and breakdown fee, and restricting rentals to individuals or organizations listed on the original agreement. The public hearing is scheduled for May 27, 2025.

2030 VISION STATEMENT:

This staff report supports Goal #4: 'Develop and Implement Successful Partnerships.'

BACKGROUND:

In 1994 and 2002, the City Council adopted park policies and fee structures, with the 2002 update clarifying the Facility Use Agreement and introducing a temporary discounted rate for ballfield lighting. In 2012, staff developed a comprehensive Facility Use Policy to improve facility management. In 2017, the City entered into a 10-year licensing agreement with CJUSD for shared use of Terrace Hills Middle School's pool and soccer fields.

Staff has revised the Facility Use Agreement multiple times to clarify applicant responsibilities for using City fields, facilities, and park shelters. These revisions ensure proper maintenance and accessible use of facilities like the Senior Center and Community Room. The most recent fee structure balances affordability for non-profits with cost recovery, including registration, cleaning, and staff call-out fees. The last update to these fees occurred on November 12, 2024.

DISCUSSION:

The revised Facility Use Agreement clarifies applicant responsibilities for using City facilities. Priority scheduling will continue for the Grand Terrace Community Soccer Club, Grand Terrace Titans, and Grand Terrace Little League, who will have 30 days after their season ends to schedule the following season. After this period, dates will be made available to the public.

To better manage the increased workload on our five-person Public Works maintenance staff, who are often pulled from other critical tasks for facility setup and breakdowns, staff recommends implementing a \$50 fee for setup and a \$50 fee for breakdown, which includes returning the room to its standard layout. This fee can be waived if the applicant sets up and returns the room to its standard layout themselves. This fee will apply to all nonprofits and community-based groups per event. This will help ensure that staff can focus on their essential duties while maintaining the quality of the facilities.

Additionally, the revised agreement specifies that shelters and fields cannot be rented out to

individuals or organizations not listed on the original agreement. If this occurs, the agreement will be terminated, and both rental and deposit funds will be forfeited by the individual or organization that granted access. Future reservation privileges may also be terminated at the discretion of the City Manager.

Lastly, the City Manager retains the authority to grant exceptions to any rules or fees in the Facility Use Agreement should specific circumstances or community needs warrant such a decision.

This revised Facility Use Agreement will be discussed at a public hearing scheduled for May 27, 2025.

ENVIRONMENTAL IMPACT:

No environmental impact.

FISCAL IMPACT:

The revised Facility Use Agreement is anticipated to generate additional revenue through the implementation of various facility usage fees, which will support the maintenance and operational costs of City facilities. Additionally, the structured fee schedule for sports leagues and community organizations will promote equitable access while ensuring cost recovery for the City's resources.

FACILITY USE APPLICATION



Welcome to the City of Grand Terrace! This reservation request is not an approved contract for facility rental. Please submit the Field and Facility Use Application at least 60 days before events or within 14 days for park shelter reservations to allow for adequate approval time. Park shelters require a minimum reservation time of 2 hours. **The registration fee is non-refundable.** Staff review, security services, and liability insurance may be necessary. Please refrain from advertising your event until approval is issued. Please initial here to acknowledge that you have read, understood, and agree to this information.

Initials: _____

Applicant's Name: _____

Phone Number: _____

Organization: _____

Street Address: _____

City: _____ Zip: _____

Non-Profit Tax ID 501 (c)(3)#: _____ E-Mail: _____

Facility: _____ Event Start Time: _____ am/pm

Park & Shelter(s): _____ Event End Time: _____ am/pm

Event Details: _____ Expected Attendance: _____

Event Date(s): _____

Will food and beverages be served? ☐ Yes ☐ No

Will there be music? ☐ Yes ☐ No

Will there be food vendors?* ☐ Yes ☐ No

Will there be live entertainment (DJ/Band)?** ☐ Yes ☐ No

Will vendors be accepting money?** ☐ Yes ☐ No

*Proof of liability insurance may be required

**Vendors must provide County Healthy Permit and/or City Business License

If you answered **yes** to any of the above questions, please explain: _____

Non-Profit or Community Based Organization Fee Structure

A **\$10 registration fee** is required per fiscal year, and organizations have the flexibility to schedule events in the Community Room and Senior Center throughout the fiscal year. Please be aware that events organized by these groups may be subject to cancellation with notice to accommodate the City's needs.

- ☐ I acknowledge that I am a nonprofit or community based organization, as outlined in the FUA definitions.
- ☐ I acknowledge that the permit expires on June 30th.
- ☐ I acknowledge that my organization can schedule events Monday through Thursday from 7 AM to 10 PM, with the Senior Center available after 3 PM. Events scheduled on Fridays after 5 PM, as well as on Saturdays and Sundays, will be charged at the Grand Terrace resident rate.

STAFF USE ONLY

Facility Use Application Received Date: _____

Enter into GovPilot: ____ / ____ / ____

Received By: _____

Reference#: _____

Approved By: _____

Five Business Days Prior to Event: _____

☐ Equipment Rental Form

☐ Health Permit

☐ 501(c)(3) Letter of Determination

☐ Insurance

☐ Other: _____

Non-Refundable Registration Fee:

Rental Fee:

Deposit:

Staffing Fee:

Cleaning Fee:

Amount Due:

\$10

Facilities Rental Fees

Any person, group, or organization wishing to use City facilities must pay the rates set forth below. Fees will be periodically reviewed and may be recommended for revision by the City Council if necessary. Fees may be waived at the discretion of the City Manager.

COMMUNITY ROOM OR SENIOR CENTER	Maximum Occupancy: (50) Community Room (120) Senior Center
Grand Terrace Residents	\$30.00 per hour
Non-Grand Terrace Residents	\$50.00 per hour
Non-Profits or Community Based Groups	No Charge
All event and room reservations require the following: \$10.00 Registration Fee (Non-Refundable) \$200.00 Refundable Deposit – <i>Refunded after a post-event inspection confirms no damages. This does not apply to non-profits or community-based groups</i>	

OUTDOOR PARK SHELTERS	Maximum Occupancy: 50
Grand Terrace Residents	\$10.00 per hour, minimum 2-hour rental
Non-Grand Terrace Residents	\$15.00 per hour, minimum 2-hour rental
All park reservations require the following: \$10.00 Registration Fee (Non-Refundable) \$50.00 Refundable Deposit – <i>Refund issued upon confirmation of no damages, decorations, or trash left behind</i>	

COURT AND FIELD RENTAL	
GTCSC, GTLL, GTT: \$5 per player during league term	Due at the end of the first month of the term
Teams, Private Use, or Team Practices (including league teams)	Hourly Rate: \$50.00 per hour Flat Rate: \$800.00 for 32 hours of use per fiscal year
Basketball Teams: \$3 per player per agreement term	Due at the end of the first month of the agreement term
\$10.00 Registration Fee (Non-Refundable) \$200.00 Refundable Deposit (<i>Excluding designated leagues, subject to no damages to the field or buildings during reservation</i>)	

STAFF CALL-OUT & FOOD AND BEVERAGE CLEANUP FEE – AS REQUIRED	
\$50.00 per hour, (2-hour minimum) - Staff Call-Out	\$32.00 per hour (2-hour minimum) - Food and Beverage Fee <i>required when served in Senior Center or Community Room</i>

Field lighting fees will automatically apply to scheduled usage after dusk

FIELD LIGHTING FOR LITTLE LEAGUE, SOCCER, AND FOOTBALL	
\$20.00 per hour	Due at the end of the agreement term
BASKETBALL COURT LIGHTING	
\$2.00 per hour	Due at the end of agreement term



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Approval of a Public Convenience or Necessity for an Off-Sale General (Type 21) Alcoholic Beverage Retail License issued by the California Department of Alcoholic Beverage Control (ABC) for the Applicant, Mr. Ghatas Roumah, for their business the Grand Terrace Market located at 12490 Michigan Avenue, Grand Terrace, CA 92313 (APN 116718111)

PRESENTED BY: Gabriel Arguelles, Assistant Planner

RECOMMENDATION:

2030 VISION STATEMENT:

BACKGROUND:

DISCUSSION:

ENVIRONMENTAL IMPACT:

FISCAL IMPACT:



AGENDA REPORT

MEETING DATE: May 13, 2025

TO: CITY COUNCIL

FROM: Gabriel Arguelles, Assistant Planner
Scott Hutter, Planning Director

TITLE: Approval of a Public Convenience or Necessity for an Off-Sale General (Type 21) Alcoholic Beverage Retail License issued by the California Department of Alcoholic Beverage Control (ABC) for the Applicant, Mr. Ghatas Roumah, for their business the Grand Terrace Market located at 12490 Michigan Avenue, Grand Terrace, CA 92313 (APN 116718111)

RECOMMENDATION:

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

- 1) Approve a Resolution (*Attachment 1*) making a positive finding for Public Convenience or Necessity for issuance of an Off-Sale General Liquor License for the Grand Terrace Market; and
- 2) Determine that the positive finding for Public Convenience or Necessity is exempt from CEQA pursuant to CEQA Guidelines Section 15061 (B)(3) – Common Sense Exemption; and
- 3) Direct Planning Staff to transmit the attached Public Convenience or Necessity letter (*Attachment 1 EXHIBIT A*) to the State Department of Alcoholic beverage Control (ABC) in support of the Type 21 liquor license at the Grand Terrace Market.

2030 VISION STATEMENT:

This project supports the City's vision of a vibrant and diverse local economy. It promotes reinvestment into existing properties and businesses with the remodel and reopening of the Grand Terrace Market. The Grand Terrace Market is a long-time staple of the community that has provided decades of convenient groceries to the community in a smalltown neighborhood setting.

SUMMARY:

The Grand Terrace Market is undergoing renovations and is poised to reopen soon. The ownership of the market has made an application (*Attachment 2*) to the State Department of Alcoholic Beverage Control ("ABC") for a Type 21 license. The ABC informed the applicant that they must submit a letter from the city in support of the requested license, referred to as a Letter of Public Convenience or Necessity ("PCN"). The ownership of the Grand Terrace Market has made an application with the City Planning Department requesting that the City please process their request and issue the PCN letter. The location of the market has made it convenient for employees of local businesses and residents to shop lite grocery items without having to leave

the neighborhood to shop on Barton Road or other nearby commercial corridors. A public convenience would be served by the Grand Terrace Market reopening and having a Type 21 license.

BACKGROUND:

The existing Grand Terrace Market has been vacant for several years. State online records query revealed that all previous operators of the market, from 1991 to present, had operated the market in good standing with Type 20 and Type 21 liquor licenses, issued by the Department of Alcoholic Beverage Control (“ABC”). Type 20 liquor licenses allow for the sale of beer and wine for offsite consumption. Type 21 licenses allow the sale of beer, wine and distilled spirits for offsite consumption. A chronology of the past liquor licenses at the Grand Terrace Market are listed in Table 1.

Table 1: Historical Liquor Licenses at Grand Terrace Market					
Type	Description	Issue Date	Expiration Date	Number	Census Tract
20	Off-Sale Beer & Wine	1991	2005	255864	0071.06
21	Off-Sale General	2004	2006	411948	0071.06
20	Off-Sale Beer & Wine	2005	2007	429469	0071.06
20	Off-Sale Beer & Wine	2006	2010	444561	0071.06
20	Off-Sale Beer & Wine	2009	2019	483971	0071.06
20	Off-Sale Beer & Wine	2019	Withdrawn	605361	0071.06
21	Off-Sale General	2025	Pending	662946	0071.06

Data source:

<https://www.abc.ca.gov/licensing/license-lookup/single-license/?RPTTYPE=13&ADDRESS=12490&CITY=GRAND+TERRACE>

ANALYSIS:

A determination of public convenience or necessity (PCN) is required when the ABC determines that there is an “over concentration” of off-sale licenses (Type 20 and 21) within a census tract. The Grand Terrace Market is in census tract 71.06, which encompasses the entire southwest portion of the City. This census tract includes the entire commercial corridor on the south side of Barton Road between Mount Vernon Avenue and Interstate 215.

To determine the number of off-sale licenses that should be issued in a census tract, the ABC uses a simple ratio of one license per 1,409 persons in the census tract for off-sale. For census tract 71.06, which has a population of 4,254 persons, there should be a maximum of three (3) off-sale licenses and there are currently 8 (see table 2 below), meaning that there is an over-

concentration of licenses within the census tract. However, as this is a premise that has operated historically over the last 35 years, within census tract 71.06 in good standing with an ABC license, there is no new significant impact. Over-concentration does not mean that negative or adverse impacts have occurred within the census tract; just that based on the ratio used, there are more licenses existing than mathematically permitted. Also, to provide perspective, it should be noted that the census tract contains the large Barton Road Specific Plan commercial corridor, made up of many retail and convenience stores, and service stations, where concentration of ABC licenses are more likely to occur.

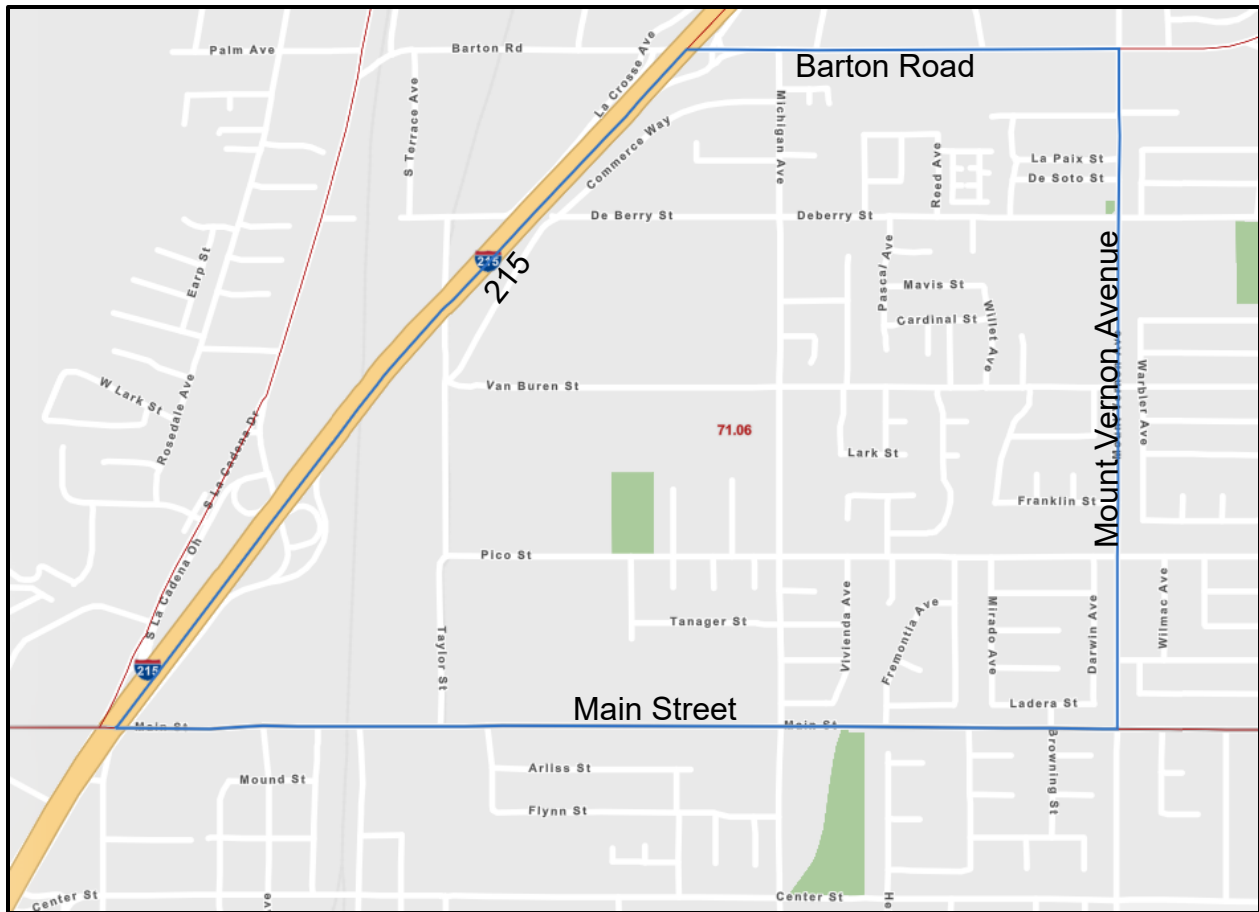
Table 2: Active Off-Sale Licenses Census Tract 71.06

Type	Description	Number	Address	Business
21	Off-Sale General	315652	22087 Barton Rd	Qwik Stop at Arco
20	Off-Sale Beer & Wine	378934	22045 Barton Rd	Kero Mina Marketplace Inc (Circle K at Mobil)
20	Off-Sale Beer & Wine	393287	22483 Barton Rd	G & M Oil 105 (Extra Mile at Chevron)
21	Off-Sale General	477744	12071 Mt Vernon Ave	CVS Pharmacy Store 4151
21	Off-Sale General	508325	22201 Barton Rd	Stater Bros Market
20	Off-Sale Beer & Wine	518329	1631 Baines, Ave. Sacramento CA	Alma De La Vina (Internet Sales Only)
21	Off-Sale General	621361	22441 Barton Rd	Grocery Outlet
21	Off-Sale General	664684	22493 Barton Rd	Grand Terrace Liquor

Grand Terrace is not identified on the ABCs Moratorium Cities – Section 23817.5 B.P. Code – list, effective as of January 1, 2023, and in effect until recalculated in approximately five years, in accordance with Section 23817.9.

The subject site is zoned Commercial Manufacturing District (“CM”) which encourages the development of combined commercial and light manufacturing uses and allows the sales of alcoholic beverages “liquor stores” which are “P” permitted “use by right” and are not subject to a Conditional Use Permit (CUP).

Census Tract 71.06; San Bernardino County; California is a Census Tract located in San Bernardino County, California and is outlined in blue in the map below on the following page.



Map source:

[https://data.census.gov/profile/Census Tract 71.06; San Bernardino County; California?g=1400000US06071007106](https://data.census.gov/profile/Census%20Tract%2071.06;San%20Bernardino%20County;California?g=1400000US06071007106)

ENVIRONMENTAL REVIEW:

The request for Determination of Public Convenience or Necessity, hereinafter (“project”) is exempt from California Environmental Quality Act (CEQA) review under §15061(b)(3) of the CEQA Guidelines because a Determination of Public Convenience or Necessity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no possibility that the Public Convenience or Necessity in question may have a significant effect on the environment, therefore the Public Convenience or Necessity determination is not subject to CEQA. A Notice of Exemption will be filed for this project (*Attachment 3*).

FINDING:

Grand Terrace Market is a small neighborhood market providing grocery items and beverages for its customers. Like other grocery and convenience stores, Grand Terrace Market provides beer, wine and distilled spirits sales for the convenience of their customers, thereby providing a full-service shopping trip and reducing vehicle miles traveled.

The location of the Grand Terrace Market on the northwest corner of Michigan Avenue and Van Buren Street is in an ideal location to conveniently serve employees of the City's largest employer (Wilden Pump & Engineering/Dover Pump Solutions Group) and the residents of surrounding residential neighborhoods.

A public convenience would be served by the Type-21 off-sale general license authorizing the sale of beer, wine and distilled spirits for off-premises consumption in conjunction with the operation of the Grand Terrace Market located at 12490 Michigan Ave in the CM Zone.

An article in the local City News Group Paper titles "A Beloved Community Gem Returns" by Ruby Stephenson, Community Writer, highlights the importance of the Grand Terrace Market beyond just its convenience factor, but also speaks to its importance to the fabric of the community "where friendships flourish, traditions continue, and local flavors abound." The full article by Ruby Stephenson can be found online in the hyperlink below and is also provided as *Attachment 4* for reference.

<https://www.citynewsgroup.com/articles/a-beloved-community-gem-returns>

CONCLUSION:

Staff recommend that the City Council approve a resolution (*Attachment 1*) making a positive finding of Public Convenience or Necessity for the Type 21 Liquor License at the Grand Terrace Market and authorize staff to forward the resolution via a letter to the ABC (**EXHIBIT A** to *Attachment 1*).

FISCAL IMPACT:

The continued use and operation of the property as the Grand Terrace Market will assist in the generation of additional sales and use tax revenues to the City, as well as assist in the creation and maintenance of additional jobs and economic opportunities for the residents of the City, and therefore the City desires the business reopen after being closed for the past several years. The applicant will pay annual business license fees.

ATTACHMENTS:

- 1) Resolution
- 2) State ABC Application
- 3) CEQA NOE
- 4) Newspaper Article

ATTACHMENT 1

RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, FINDING AND DETERMINING THAT THE PUBLIC CONVENIENCE OR NECESSITY WOULD BE SERVED BY THE ISSUANCE OF AN OFF-SALE GENERAL (TYPE-21 ALCOHOLIC BEVERAGE CONTROL LICENSE) FOR THE PREMISES LOCATED AT 12490 MICHIGAN STREET, GRAND TERRACE, CA 92313 (GRAND TERRACE MARKET) APN 116718111, AND FINDING THAT THE DETERMINATION OF PUBLIC CONVENIENCE OR NECESSITY IS EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3) - COMMON SENSE EXEMPTION.

WHEREAS, pursuant to applicable provisions of the Business and Professions Code of the State of California, the Department of Alcoholic Beverage Control (hereinafter the “ABC”) is charged with the responsibility of reviewing applications and issuance of licenses (“license”) for the sale and/or manufacture of alcoholic beverages in the State of California; and

WHEREAS, Section 23958 of the Business and Professions Code provides that the ABC shall deny an application for a license if issuance of that license would tend to create a law enforcement problem, or if issuance would result in or add to an undue concentration of licenses, except as provided in Section 23958.4 of said Business and Professions Code; and

WHEREAS, Section 23958.4 of the Business and Professions Code provides that, notwithstanding the limitations of Section 23958, the ABC shall issue a license if the applicant shows that public convenience or necessity would be served by the issuance of such license; and

WHEREAS, pursuant to Section 23958.4 of the Business and Professions Code, the local governing body in this case, the “City Council,” has the discretion to determine when public convenience or necessity would be served by allowing an alcohol license in an area where there is an over concentration of licenses or where there is high crime; and

WHEREAS, Toumah Ghatas of Grand Terrace Market (“Applicant”) located at 12490 Michigan Ave has petitioned the ABC for Off-Sale General (Type 21) License to augment their primary operations as a neighborhood convenience store known as the Grand Terrace Market; and

WHEREAS, a Type-21 General is a license that is issued to retail stores and it authorizes the sale of beer, wine and distilled spirits for consumption off the premises where sold, and

WHEREAS, under state law Section 23790 of the Business and Professions Code, the ABC may not issue a liquor license if it violates an existing local zoning ordinance; and

WHEREAS, the subject site is zoned Commercial Manufacturing District (“CM”) which encourages the development of combined commercial and light manufacturing uses and allows the sales of alcoholic beverages “liquor stores” which are “P” permitted “use by right” and are not subject to a Conditional Use Permit (CUP); and

WHEREAS, the subject business (Grand Terrace Market) is in Census Tract 71.06 with population such that the ABC may permit up to three (3) off-sale licenses before an undue concentration would exist, and there is currently eight (8) off-sale Type 20 and 21 licenses in Census Tract 71.06 resulting in an over concentration of licenses; and

WHEREAS, the subject business (Grand Terrace Market) is in Census Tract 71.06 Grand Terrace Market is not located in an excess crime-reporting district as defined by Business and Professions Code Section 23958.4; and

WHEREAS, the subject business (Grand Terrace Market) is in Census Tract 71.06 and was reviewed by the Sheriff's Office of the County of San Bernardino which serves as the local police force for the City, and the Sheriff's Office had no objections to the Type 21 license at the Grand Terraced Market; and

WHEREAS, the request for Determination of Public Convenience or Necessity, hereinafter ("project") is exempt from California Environmental Quality Act (CEQA) review under §15061(b)(3) of the CEQA Guidelines because a Determination of Public Convenience or Necessity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no possibility that the Public Convenience or Necessity in question may have a significant effect on the environment, therefore the Public Convenience or Necessity determination is not subject to CEQA; and

WHEREAS, the City of Grand Terrace has prepared a Letter of Public Convenience or Necessity for transmittal to the State Department of Alcoholic Beverage Control which is provided as "**EXHIBIT A**" attached hereto; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals set forth above are true and correct and incorporated herein by this reference and made a part hereof.

SECTION 2. The City Council does find and determine that the continued use and operation of the property as the Grand Terrace Market will assist in the generation of additional sales and use tax revenues to City, as well as, assist in the creation and maintenance of additional jobs and economic opportunities for the residents of the City, and therefore the City desires to the business reopen after being closed for the past several years.

SECTION 3. The City Council does further find and determines that the location of the Grand Terrace Market on the northwest corner of Michigan Avenue and Van Buren Street is in an ideal location to conveniently serve employees of the City's largest employer (Wilden Pump & Engineering/Dover Pump Solutions Group) and the residents of surrounding residential neighborhoods. The location of the market has made it convenient for employees of local businesses and residents to shop lite grocery items without having to leave the neighborhood to shop on Barton Road or other nearby commercial corridors. A public convenience would be served by the Grand Terrace Market reopening and having a Type 21 license.

SECTION 4. That the public convenience would be served by the Type-21 off-sale general license authorizing the sale of beer, wine and distilled spirits for off-premises consumption in conjunction with the operation of the Grand Terrace Market located at 12490 Michigan Ave in the CM Zone.

SECTION 5. Pursuant to §15061(b)(3) of the CEQA Guidelines, an activity is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Making a Determination of Public Convenience or Necessity will not bring about any physical change to the environment. Therefore, in light of the whole record, it can be seen with certainty that the project has no potential to cause a significant effect on the environment. As such, the City finds that the project is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) ("general rule exemption").

SECTION 6. The request for Public Convenience or Necessity Determination is hereby approved.

SECTION 7. The Planning Director or their designee is hereby authorized and directed to file a Notice of Exemption (NOE) with respect to the adoption of this Resolution.

SECTION 8. The Planning Director or their designee are authorized to transmit **"EXHIBIT A"** to the ABC and take any other necessary actions, sign any other documents or instruments, as may be necessary, to implement, and affect this Resolution on behalf of the City.

APPROVED AND ADOPTED by the City Council of the City of Grand Terrace, California, at a Regular Meeting held on the 13th day of May 2025.

ATTEST:

Daysi Alcocer
City Clerk

Bill Hussey
Mayor

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS.
CITY OF GRAND TERRACE)

I Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025-__, was duly passed, approved and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, at the regular meeting of said City Council held on the 13th day of May 2025, and that and that it was adopted by the called vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer
City Clerk

EXHIBIT A

May 14, 2025

Christian Thomas
Licensing Program Representative II
Department of Alcoholic Beverage Control Board
3737 Main Street, Suite 900
Riverside, CA 92501-3337

SUBJECT: DECLARATION AND STATEMENT OF **“PUBLIC CONVENIENCE OR NECESSITY”** FOR THE TYPE 21, OFF-SALE GENERAL LICENSE FOR THE GRAND TERRACE MARKET, LOCATED AT 12490 MICHIGAN AVENUE, GRAND TERRACE, CA 92313

Dear Mr. Thomas:

This letter is to inform you that the Grand Terrace City Council made a positive finding of Public Convenience or Necessity for a Type 21 - Off-Sale General License for the Grand Terrace Market during their regular meeting held on May 13, 2025.

The City Council approved a resolution making a positive finding of “public convenience or necessity” and authorized staff to write a transmittal letter which would allow the business owner(s) and operators of the Grand Terrace Market to sell alcohol beverages including beer, wine and distilled spirits under a Type 21 off-sale general license. The location of the Grand Terrace Market is convenient for nearby businesses and their employees, local residents in surrounding neighborhoods, and those motorists and pedestrians that frequent Michigan Avenue. The historical record shows that the Grand Terrace Market has conveniently served the local community for decades with Type 20 and Type 21 licenses, and there is no record of issues or concerns on file with the City.

This public convenience or necessity request was also reviewed by the Sheriff’s Office of the County of San Bernardino which serves as the local police force for the City. The Sheriff’s Office had no objections to the Type 21 license at the Grand Terraced Market. The Type 21 license will not be a detriment to the surrounding neighborhood and public. The Grand Terrace Market is not located in an excess crime-reporting district as defined by Business and Professions Code Section 23958.4.

A copy of the City Council Resolution is attached to this letter. Should you have any questions, please feel free to contact Grand Terrace Planning & Development Services at (909) 954-5176.

Respectfully submitted,

Gabriel Arguelles
Assistant Planner

Enclosure: CC Resolution

Thomas, Christian@ABC

From: Thomas, Christian@ABC
Sent: Tuesday, March 25, 2025 10:26 AM
To: Dani Khouri
Subject: Toumah, Ghata Roufail 21-662946

Hello,

I have been advised to update the applicant regarding this file while the assigned LR Sadie Gomez is out.

The application is pending Public Convenience or Necessity from the local governing body and is currently protested. If the PCN is completed or the protest has been withdrawn, it can be sent to me while Sadie is out. If you have any questions, feel free to contact me.

Thank You,

Christian Thomas

Licensing Program Representative II
Department of Alcoholic Beverage Control - Riverside District Office

3737 Main Street Ste 900

Riverside CA 92501

(951) 782-4441 Office

(951) 205-0493 Direct

(951) 782-0521 Fax

Christian.Thomas@abc.ca.gov

My goal is to provide outstanding customer service. If you wish to comment on my service, please contact Annie Chu, SSMI at Annie.Chu@abc.ca.gov.



APPLICATION SIGNATURE SHEET ("SIGN ON")

- Read instructions on reverse before completing.
- All signatures must be witnessed by an ABC employee or notarized in accordance with laws of the State where signed.

1. OWNERSHIP TYPE (Check one)

- ☒ Sole Owner ☐ Partnership-Ltd
☐ Partnership ☐ Corporation
☐ Married Couple ☐ Limited Liability Company
☐ Domestic Partner ☐ Other _____

2. FILE NUMBER (If any)

3. LICENSE TYPE

21-off sale
General

4. TRANSACTION TYPE

- ☒ Original ☐ Person to Person Transfer
☐ Exchange ☐ Premise to Premise Transfer
☐ Other _____

5. APPLICANT(S) NAME (Last, first, middle)

Toumah Ghataas

6. APPLICANT'S MAILING ADDRESS (Street address/P.O. box, city, state, zip code)

7209 MARISVILLE PL Fontana CA 92336

7. PREMISES ADDRESS (Street address, city, zip code)

12490 Michigan ST GRAND TERRACE CA 92313

APPLICANT'S CERTIFICATION

Under penalty of perjury, each person whose signature appears below, certifies and says: (1) He/She is an applicant, or one of the applicants, or an executive officer of the applicant corporation, named in the foregoing application, duly authorized to make this application on its behalf; (2) that he/she has read the foregoing and knows the contents thereof and that each of the above statements therein made are true; (3) that no person other than the applicant or applicants has any direct or indirect interest in the applicant or applicant's business to be conducted under the license(s) for which this application is made; (4) that the transfer application or proposed

transfer is not made to (a) satisfy the payment of a loan or to fulfill an agreement entered into more than ninety (90) days preceding the day on which the transfer application is filed with the Department, (b) to gain or establish a preference to or for any creditor or transferor, or (c) to defraud or injure any creditor or transferor; (5) that the transfer application may be withdrawn by either the applicant or the licensee with no resulting liability to the Department.

I understand that if I fail to qualify for the license or withdraw this application, the application fee shall be non-refundable as specified in Section 23320 B&P.

SOLE OWNER

8. PRINTED NAME (Last, first, middle)

Toumah Ghataas

SIGNATURE

X

DATE SIGNED

PARTNERSHIP/LIMITED PARTNERSHIP (Signatures of general partners only)

9. PARTNER'S PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

PARTNER'S PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

PARTNER'S PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

CORPORATION

10. PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

TITLE

☐ President ☐ Vice President ☐ Chairman of the Board

PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

TITLE

☐ Secretary ☐ Asst. Secretary ☐ Chief Financial Officer ☐ Asst. Treasurer
LIMITED LIABILITY COMPANY

11. The limited liability company is member-run

☐ Yes☐ No

(If no, complete Item #12 below)

12. NAME OF DESIGNATED MANAGER, MANAGING MEMBER OR DESIGNATED OFFICER (Last, first, middle)

13. MEMBER'S PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

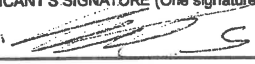
MEMBER'S PRINTED NAME (Last, first, middle)

SIGNATURE

X

DATE SIGNED

ZONING AFFIDAVIT*Instructions to the Applicant: Complete Items 1 - 14. Sign and date the form and submit it to ABC.*

1. APPLICANT(S) NAME (Last, first, middle) Toumah Ghatas Roufai		
2. PREMISES ADDRESS (Street number and name, city, zip code) 12490 Michigan ST GRAND TERRACE CA 92313		3. PARCEL NUMBER OF PROPERTY (Obtain from County Assessor's Office) 116718111
4. TYPE OF LICENSE APPLIED FOR 21-off sale general	5. UPGRADE OF LICENSED PRIVILEGES ☐ Yes ☒ No	6. CURRENT LICENSE TYPE AT THIS LOCATION, IF ANY NONE
7. TYPE OF BUSINESS (i.e., restaurant, mini-mart, gas station, etc.) LIQUOR STORE		8. ARE THE PREMISES INSIDE THE CITY LIMITS? ☒ Yes ☐ No
For answers to Questions 8 - 14, contact your local city <u>OR</u> county planning department (if inside the city limits, contact city planning; if outside, contact county planning).		
9. HOW ARE APPLICANT PREMISES ZONED? STATE TYPE (i.e., "C" commercial, "R" residential, etc.) CM Commercial Manufacturing		
10. DOES ZONING PERMIT INTENDED USE? ☒ Yes ☐ No	11. IS A CONDITIONAL USE PERMIT (C.U.P.) NEEDED? (If yes, please attach copy of receipt or C.U.P.) ☐ Yes ☒ No	12. IF YES, DATE YOU FILED APPLICATION FOR C.U.P. N/A
13. NAME OF PLANNER CONTACTED AT PLANNING DEPARTMENT Gabriel Arguelles		14. PLANNER'S PHONE NUMBER (909) 954-5176
Under the penalty of perjury, I declare the information in this affidavit is true to the best of my knowledge.		
15. APPLICANT'S SIGNATURE (One signature will suffice) 		16. DATE SIGNED 11/4/2024

FOR DEPARTMENT USE ONLY

☐ C.U.P. Approved	IF APPROVED, EFFECTIVE DATE	FILE NUMBER
☐ C.U.P. Denied	DATE DENIED	

GENERAL INFORMATION

•Section 23790 of the Business and Professions Code says that ABC may not issue a retail license contrary to a valid zoning ordinance. This form will help us determine whether your proposed business is properly zoned for alcoholic beverage sales.

•A conditional use permit (CUP) (Item 11) is a special zoning permit granted after an individual review of proposed land-use has been made. CUP's are used in situations where the proposed use may create hardships or hazards to neighbors and other community members who are likely to be affected by the proposed use. The ABC district office will not make a final recommendation on your license application until after the local CUP review process has been completed. If the local government denies the CUP, ABC must deny your license application.

23790. Zoning ordinances. No retail license shall be issued for any premises which are located in any territory where the exercise of the rights and privileges conferred by the license is contrary to a valid zoning ordinance of any county or city.

Premises which had been used in the exercise of those rights and privileges at a time prior to the effective date of the zoning ordinance may continue operation under the following conditions:

(a) The premises retain the same type of retail liquor license within a license classification.

(b) The licensed premises are operated continuously without substantial change in mode or character of operation.

For purposes of this subdivision, a break in continuous operation does not include:

(1) A closure for not more than 30 days for purposes of repair, if that repair does not change the nature of the licensed premises and does not increase the square footage of the business used for the sale of alcoholic beverages.

(2) The closure for restoration of premises rendered totally or partially inaccessible by an act of God or a toxic accident, if the restoration does not increase the square footage of the business used for the sale of alcoholic beverages.

CERTIFICATION RE CHAPTER 15 TIED-HOUSE RESTRICTIONS

Instructions

- Type or print clearly in black or blue ink (do not use red).
- This form is to be completed by all applicants, retail and non-retail.
- This form is used to ensure compliance with tied-house laws, which generally prohibit or restrict vertical integration. These laws prohibit vertical integration of the three levels of the alcoholic beverage industry (manufacturer, wholesaler, and retailer). (Section 25500, et seq., Business & Professions Code.)

License Applicant Name (Item 1) -- Enter the name of the license applicant. For a limited partnership, limited liability company, or a corporation, the name of the entity.

License Type (Item 2) -- Enter the numeric designation for the applied-for license (e.g., Type 21) or a description (e.g., Off-Sale General).

Premises Address (Item 3) -- Enter the location of the proposed business.

Applicant Entity (Item 4) -- Check the box for the type of business ownership.

Certification (Items 5 & 6) -- Check the boxes that apply and explain ownerships, interests, gifts or loans.

Signature (Item 7) -- Any one signature for the certifying entity is sufficient (e.g., one general partner; one corporate officer; an LLC member, if member-run; the LLC manager, if manager-run; or LLC officer, if designated).

1. LICENSE APPLICANT NAME

Toumah, Ghatas Roufai L

2. LICENSE TYPE

21-off sale general

3. PREMISES ADDRESS (Street number and name, city, zip code)

12490 Michigan ST GRAND TERRACE CA 92313

4. APPLICANT ENTITY

☒ SOLE PROPRIETOR☐ PARTNERSHIP☐ LIMITED LIABILITY COMPANY☐ CORPORATION

5. CERTIFICATION

Retail License Applicant

☒ The above applicant, and/or any entity or person holding any direct or indirect ownership, management, or other interest in the applicant, and/or any entity or person in which the applicant holds any direct or indirect ownership, management, or other interest (including loans, loan guarantees and other indebtedness):

☐ does ☒ does not hold any ownership or interest, directly or indirectly, in the business, property, license, or management of any alcoholic beverage producer, rectifier, importer, or wholesaler, in California or elsewhere.

Non-Retail License Applicant

☐ The above applicant, and/or any entity or person holding any direct or indirect ownership, management, or other interest in the applicant, and/or any entity or person in which the applicant holds any direct or indirect ownership, management, or other interest (including loans, loan guarantees and other indebtedness):

☐ does ☐ does not hold any ownership, directly or indirectly, in any retail license, or in the premises upon which such retail license is located, or in the furniture, fixtures or equipment in such business.

☐ is ☐ is not an agent or employee of a retail licensee.

☐ has ☐ has not furnished, given or loaned any money or other thing of value, directly or indirectly, to a retail licensee, or guaranteed the repayment of any loan or obligation owed by such retail licensee.

☐ does ☐ does not have an interest in the manufacture, importation, or distribution of distilled spirits products in California or elsewhere.

6. EXPLAIN DETAILS IF YOU CHECKED "IS", "DOES" OR "HAS" IN ITEM 5.

I have read all of the above information and certifications and declare under penalty of perjury they are true, correct, and complete.

7. PRINTED NAME OF PERSON SIGNING FORM

TITLE

SIGNATURE

DATE SIGNED

Ghatas Roufai L Toumah owner

X

11/20/2024

ABC-140 (12/09)

STATEMENT RE: RESIDENCES**(Rule 61.4)**

Applicant: Please complete left side of form, then sign. List addresses of all residences within 100 feet of your proposed premises. If there are none, write "None." Measure all distances by direct line from the closest edge of the residential structure to the closest edge of your structure or parking lot, whichever is closer. Your "parking lot" includes any area that is maintained for the benefit of your patrons or operated in conjunction with your premises. Continue on reverse if needed.

1. APPLICANT NAME		DEPARTMENT USE ONLY				
Ghadas Roofail Tounah		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
12490 Michigan ST GRAND Terrace CA 92313		☐	☐		ft.	
NAME						
2. 22110 Van Buren ST		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
GRAND Terrace CA 92313		☐	☐		ft.	
NAME						
3. 22040 Van Buren ST		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
Grand Terrace CA 92313		☐	☐		ft.	
NAME						
4. 12510 Michigan ST		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
GRAND Terrace CA 92313		☐	☐		ft.	
NAME						
5.		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
		☐	☐		ft.	
NAME						
6.		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
		☐	☐		ft.	
NAME						
7.		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
		☐	☐		ft.	
NAME						
8.		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
		☐	☐		ft.	
NAME						

NON-INTERFERENCE (For Department Use Only)

I acknowledge that any false, misleading or omitted information required in this statement may constitute grounds for denial of application for the license, or if the license is issued in reliance upon information in this statement which is offered, false or misleading, then such misinformation or omission will constitute grounds for revocation of the license so issued.

4. APPLICANT SIGNATURE	DATE SIGNED
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INFORMATION AND INSTRUCTIONS

Rule 61.4, Chapter 1, Title 4, California Code of Regulations states:

No original issuance of a retail license or premises-to-premises transfer of a retail license shall be approved for premises at which either of the following conditions exist:

- (a) The premises are located within 100 feet of a residence.
- (b) The parking lot or parking area which is maintained for the benefit of patrons of the premises, or operated in conjunction with the premises, is located within 100 feet of a residence. Where the parking lot is maintained for the benefit of patrons of multiple businesses in the vicinity of the premises, the parking area considered for the purpose of this rule shall be determined by the area necessary to comply with the off-street parking requirements as mandated by the local ordinance, or if there are no local requirements for off-street parking, then the area which would reasonably be necessary to accommodate the anticipated parking needs of the premises, taking into consideration the type business and operation contemplated.

Distances provided for in this rule shall be measured by airline from the closest edge of any residential structure to the closest edge of the premises or the closest edge of the parking lot or parking area, as defined herein above, whichever distance is shorter.

This rule does not apply where the premises have been licensed and operated with the same type license within 90 days of the application.

Notwithstanding the provisions of this rule, the department may issue an original retail license or transfer a retail license premises-to-premises where the applicant establishes the operation of the business would not interfere with the quiet enjoyment of the property by residents.

A residence is defined as a place where people actually live, such as a single family home, condo, residential hotel or motel, or mobile home.

A determination must be made as to whether or not your proposed premises is located in an area as described above. In order to make such determination, it will be necessary for you to complete the front of this form, to be submitted at the time you file a formal application.

If you can establish that your business will not disturb the residents, your license may be issued subject to appropriate conditions.

STATEMENT RE: CONSIDERATION POINTS

Applicant: Please complete left side of form, then sign. List the names and addresses of all schools, churches, hospitals, public playgrounds, and youth facilities located within 600 feet of your proposed premises. Measure all distances by direct line from the closest edge of the facility structure to the closest edge of your structure. Continue on reverse if needed.

1. APPLICANT NAME		DEPARTMENT USE ONLY				
Ghadas Roofail Tounah		LTR	PERS	DATE	DISTANCE	SEPARATION FACTORS
2. PREMISES ADDRESS (Street number and name, city, zip code)					FT.	
12490 Michigan ST GRAND TERRACE CA 92313						
3. FACILITY NAME/ADDRESS						
1. NONE		☐	☐			
		NAME				
2.		☐	☐		FT.	
		NAME				
3.		☐	☐		FT.	
		NAME				
4.		☐	☐		FT.	
		NAME				
5.		☐	☐		FT.	
		NAME				
6.		☐	☐		FT.	
		NAME				
7.		☐	☐		FT.	
		NAME				
8.		☐	☐		FT.	
		NAME				
9.		☐	☐		FT.	
		NAME				

I acknowledge that any false, misleading or omitted information required in this statement may constitute grounds for denial of the application for the license, or, if the license is issued in reliance upon information in this statement which is omitted, false or misleading, then such misinformation or omission will constitute grounds for revocation of the license so issued.

4. APPLICANT SIGNATURE	DATE SIGNED
------------------------	-------------

SUPPLEMENTAL DIAGRAM

DEPARTMENT OF REVENUE

1. FULL NAME (Last, First, Middle)

** PERSON(S) NAMES OR CORPORATION, LLC ETC.

3. TYPE OF LICENSE APPLIED FOR

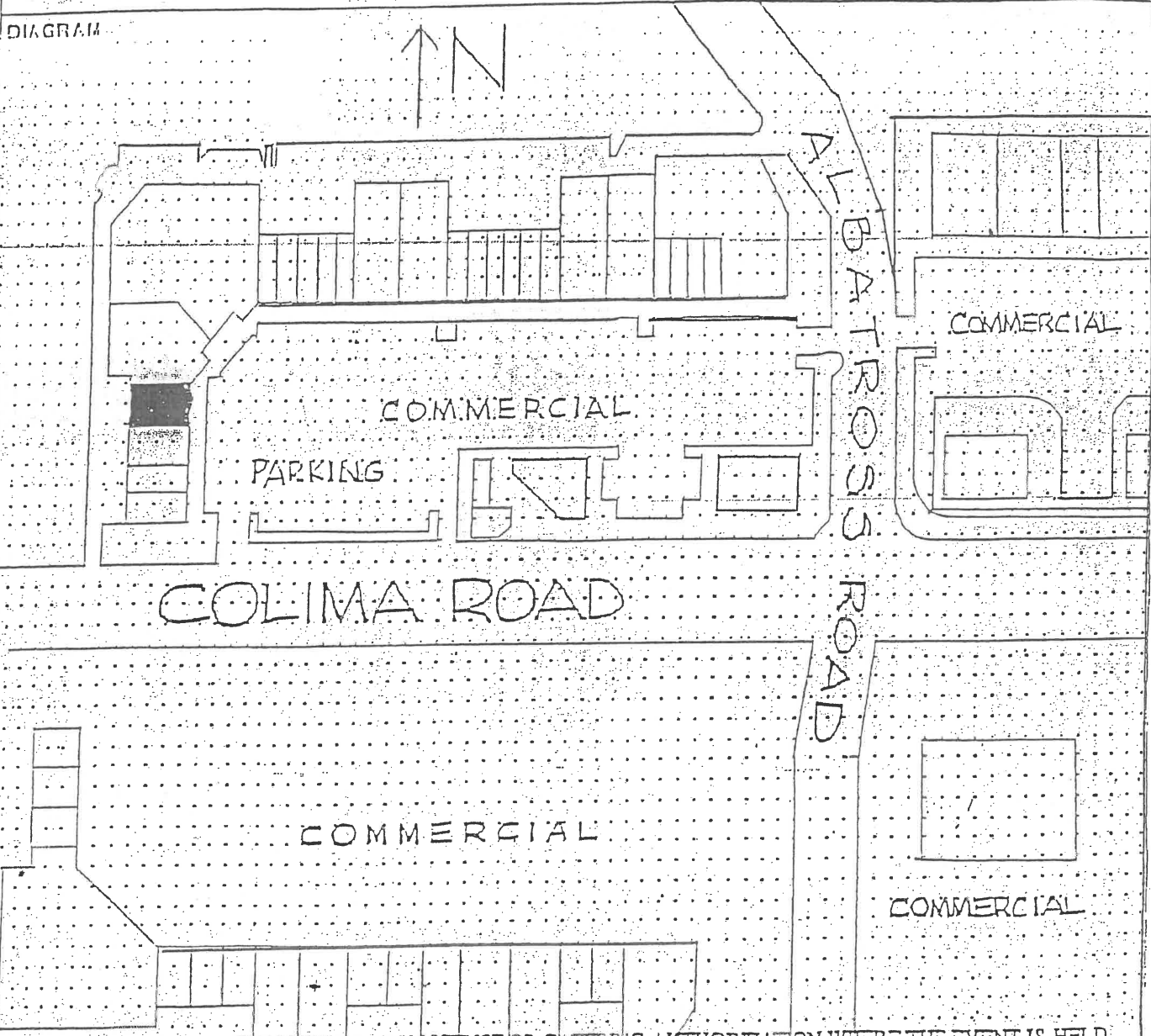
4. Nearest Cross Street

2. PREMISES ADDRESS/LOCATION OF EVENT (Number & Street, City, Zip)

*** EXAMPLE OF OUTSIDE DIAGRAM ***

The diagram below is a true and correct description of the property owned or otherwise controlled by me/us on which the licensed premises described on Form ABC-257 is located or on which an event for a daily type license, catering authorization or miscellaneous use will occur.

DIAGRAM



POST A COPY OF DIAGRAM WITH DAILY LICENSE OR CATERING AUTHORIZATION WHERE THE EVENT IS HELD.

Please read carefully and sign below.

It is hereby declared that the above-described property is owned or otherwise controlled by me/us and it is agreed and understood that the only area therein in which alcoholic beverages will be sold, served, consumed, possessed or stored is that portion designated above and/or on Form ABC-257 as the Licensed premises. If this is an event for a daily license, catering authorization or miscellaneous use, it is understood that sales and consumption of alcoholic beverages will be confined to an area designated in the diagram and supervised to prevent violations of the Alcoholic Beverage Control Act. I declare under penalty of perjury that the foregoing is true and correct.

4. APPLICANT SIGNATURE

5. DATE

SUPPLEMENTAL DIAGRAM**Instructions to Applicant:**

Draw a sketch of the area on which the licensed premises is or will be located. Show adjacent structures and nearest cross streets. *If this is an event for a daily license, catering authorization, event authorization or miscellaneous use, show the area where sales and consumption of alcoholic beverages will occur. Post a copy of this diagram with Daily License, Catering Authorization or Event Authorization where the event is held. Sales and consumption of alcoholic beverages must be confined to the area designated in the diagram and supervised to prevent violations of the Alcoholic Beverage Control Act.*

1. APPLICANT NAME (Last, first, middle)

Touman Ghata's Rooftop

2. LICENSE TYPE

21-off sale general

3. PREMISES ADDRESS (Street number and name, city, zip code)

12490 Michigan ST BRAND TERRACE CA 92313

4. NEAREST CROSS STREET

Van Buren ST

DIAGRAM



I have read the above instructions and I declare under penalty of perjury that the above diagram is true and correct.

APPLICANT SIGNATURE

DATE SIGNED

11/26/2024

FOR ABC USE ONLY

CERTIFIED CORRECT (Signature)

PRINTED NAME

INSPECTION DATE

PLANNED OPERATION (RETAIL)

SECTION I - FOR ALL RETAIL APPLICANTS

1. APPLICANT'S NAME(S) If an individual, last name, first name, middle name. Name of entity if corporation, limited partnership or limited liability company. 2. LICENSE TYPE(S)

Toumahi, Ghatas Poo fail

21-off Sale General

3. PREMISES ADDRESS (Street number and name, city, zip code)

12490 Michigan ST Grand Terrace 92313 Van Buren ST

5. TYPE OF BUSINESS (Choose one that best describes the planned operation)

- ☐ Full Service Restaurant ☐ Cafeteria/Hofbrau ☐ Cocktail Lounge ☐ Private Club
☐ Deli or Specialty Restaurant ☐ Comedy Club ☐ Night Club ☐ Veterans Club
☐ Cafe/Coffee Shop ☐ Brew Pub ☐ Tavern ☐ Fraternal Club
☐ Bed & Breakfast ☐ Theater ☐ Wine Tasting Room
☐ Supermarket ☐ Membership Store ☐ Service Station ☐ Swap Meet/Flea Market
☐ Liquor Store ☐ Department Store ☒ Convenience Market ☐ Drive-in Dairy
☐ Variety/Drug Store ☐ Gift Shop/Florist ☐ Convenience Market w/Gasoline
☐ Other - describe:

6. FOOD SERVICE

7. MEAL TYPE

- ☒ None ☐ Minimal ☐ Full Meals ☐ Dinner House ☐ Seafood ☐ Fast Food/Deli ☐ Pizza/Pasta ☐ Other:

8. TYPE OF FOOD

- ☐ American ☐ Chinese ☐ French ☐ Greek ☐ Indian ☐ Italian ☐ Japanese ☐ Korean ☐ Mexican ☐ Thai ☒ Other: Snacks

9. HOURS OF FOOD SERVICE:

BREAKFAST HOURS - From: To: LUNCH HOURS - From: To: DINNER HOURS - From: To:

10. OPERATING HOURS: Sunday Monday Tuesday Wednesday Thursday Friday Saturday

Opening Time 7:00 AM 7:00 AM 7:00 AM 7:00 AM 7:00 AM 7:00 AM 7:00 AM

Closing Time 11:00 PM 11:00 PM 11:00 PM 11:00 PM 11:00 PM 12:00 AM 12:00 AM

11. ENTERTAINMENT: (One or more may apply. Please describe any entertainment with an asterisk (*) below)

- ☐ None ☐ *Amplified Music ☐ Patron Dancing ☐ Card Room
☐ Recorded Music ☐ *Live Entertainment ☐ Bikini/Topless/Exotic ☐ Movies
☐ Juke Box ☐ *Floor/Stage Shows ☐ Pool/Billiard Tables ☒ *Hot Spot/Lottery
☐ *Other ☐ Karaoke ☐ *Amateur/Pro Sports Events ☐ Video/Coin-Operated Games

*Description:

12. YES OR NO QUESTIONS:

- a) Will you hire a manager? (Rule 57.5) ☐ Yes ☒ No
 b) Will you have a food lessee? (Rule 57.7) ☐ Yes ☒ No
 c) Do you intend to sell cocktails or servings of wine to go? ☐ Yes ☒ No
 d) Does your business have a pass-through window? ☐ Yes ☒ No
 e) Does your business have any fixed bars? ☐ Yes ☒ No
 i) If yes, how many? _____
 f) Does your business have a patio? ☐ Yes ☒ No
 g) Will you share a common licensed area with another licensee? ☐ Yes ☒ No
 h) Does the premises have a parking lot? ☒ Yes ☐ No
 i) If yes, is it shared with other business? ☐ Yes ☒ No

13. What percentage of your total sales will be from alcoholic beverages?

25%

14. Patron Capacity

N/A

15. PREMISES IS LOCATED ON:

- ☐ Major Thoroughfare ☒ Secondary Street ☐ Other:

16. PREMISES LOCATED IN:

- ☒ Free Standing Building
☐ Shopping Center (name): _____
☐ 10 Units or Less ☐ More than 10 Units

17. SURROUNDING AREA:

- ☐ Commercial ☐ Industrial ☒ Residential
☐ Rural ☐ Other:

18. TYPE OF STRUCTURE:

- ☒ Single Story ☐ Two-Story
☐ Multi-Story - Number of Stories:

FOR ABC USE ONLY

INFORMATION GIVEN (R-27, R-107, Sec. 25612.5, Sec. 23790.5, etc.)

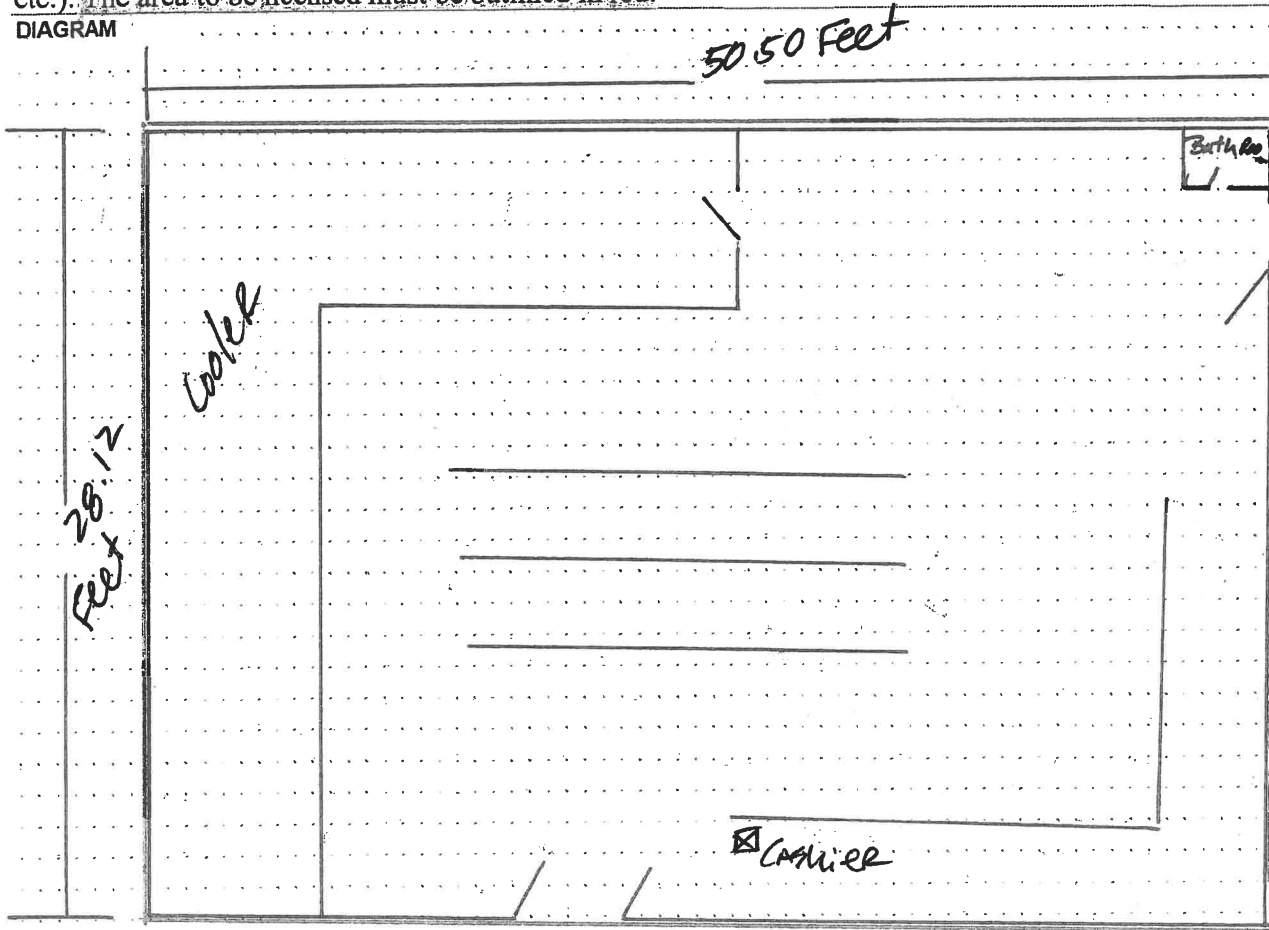
LICENSED PREMISES DIAGRAM (RETAIL)

1. APPLICANT'S NAME(S) (If an individual, last name, first name, middle name. Name of entity if corporation, limited partnership or limited liability company.) 2. LICENSE TYPE
Touman Ghatas Roufail **21-off Sale General**

3. PREMISES ADDRESS (Street number and name, city, zip code) 4. NEAREST CROSS STREET
12490 Michigan ST GRAND TERRACE CA 92313 **Van Buren ST**

The diagram below is a true and correct description of the entrances, exits, interior walls and exterior boundaries of the premises to be licensed, including dimensions and identification of each room (i.e., "storeroom", "office", etc.). The area to be licensed must be outlined in red.

DIAGRAM



It is hereby declared that the above-described premises and character of premises, as indicated on the reverse side, will not be changed in accordance with Rule 64.2 of the California Code of Regulations without first notifying and securing approval of the Department of Alcoholic Beverage Control. Substantial changes to the premises may require an application fee in accordance with Section 24072 of the Business and Professions Code. I declare under penalty of perjury that the foregoing is true and correct.

APPLICANT SIGNATURE (Only one signature required)

DATE SIGNED

11/26/2024

FOR ABC USE ONLY

CERTIFIED CORRECT (Signature)

PRINTED NAME

INSPECTION DATE



ATTACHMENT 3

CITY OF GRAND TERRACE NOTICE OF EXEMPTION

TO: Clerk of the Board of Supervisors
County of San Bernardino
385 N. Arrowhead Avenue, 2nd Floor
San Bernardino, CA 92415-0130

FROM: Planning and Development
Services Department
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

Project Title: Approval of a Public Convenience or Necessity for an Off-Sale General (Type 21) Alcoholic Beverage Retail License issued by the California Department of Alcoholic Beverage Control (ABC) for the Applicant, Mr. Ghatas Roumah, for their business the Grand Terrace Market located at 12490 Michigan Avenue, Grand Terrace, CA 92313 (APN 116718111)

Project Location – Specific: 12490 Michigan Street, Grand Terrace, CA 923213 (APN 116718111)

Description of Project: Positive finding and determination that the public convenience or necessity would be served by the issuance of an off-sale general (Type-21 Alcoholic Beverage Control License) for the premises of the Grand Terrace Market.

Name of Public Agency Approving Project: Grand Terrace City Council

Name of Person or Agency Carrying out Project: City of Grand Terrace Planning Department

Exempt Status: Environmental Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

Reasons Why Project is Exempt: The request for Determination of Public Convenience or Necessity, hereinafter ("project") is exempt from California Environmental Quality Act (CEQA) review under §15061(b)(3) of the CEQA Guidelines because a Determination of Public Convenience or Necessity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no possibility that the Public Convenience or Necessity in question may have a significant effect on the environment, therefore the Public Convenience or Necessity determination is not subject to CEQA

Lead Agency or Contact Person:

Telephone/Email:

(909) 954-5177 office
shutter@grandterrace-ca.gov

Scott Hutter
Planning Director
City of Grand Terrace

Date



City News Group, Inc.

A Beloved Community Gem Returns



By: **Ruby Stephenson**
Community Writer

Photo Courtesy of:
Elysia Fernandez

Photo Description:
Excited for new things coming? Front face of Grand Terrace market with new coming soon and ownership signed attached



The air is filled with excitement and anticipation as the legendary Grand Terrace Market, once highly visited stop for the community, prepares to reopen its doors under new ownership. After being closed for some time, the beloved market is undergoing a revitalization that promises to restore the charm and services that generations of residents cherished. For many families in Grand Terrace, the market has been more than just a place to shop; it has been a gathering spot, a source of community spirit, and a symbol of tradition. Known for its warm atmosphere, exceptional customer service, and quality products, the Grand Terrace Market held a special place in the hearts of its patrons. It was where neighbors met, stories were shared, and where the community came for snacks before and after games. With the market's closure, residents felt a tangible void in their community. It left many longing for the convenience and familiarity that the market

offered. However, hope was reignited when news broke that the Grand Terrace Market would be reopening under new ownership. The new team is not only committed to honoring the store's rich legacy but is also dedicated to modernizing it to meet the evolving needs of the community. The transformation process is already underway, with renovations focused on resurfacing and refacing the building to create a fresh and inviting environment. As opening day approaches, excitement is palpable. Residents have taken to social media to share their memories of the market, posting nostalgic photos and stories of their favorite experiences. There is a strong buzz around town as families eagerly await the moment they can walk through the doors of the revitalized market, ready to create new memories while embracing old traditions. In a time when local businesses face various challenges, the reopening of the Grand Terrace Market serves as a testament to the

resilience and spirit of the community. With its anticipated launch, the market is set to become a dynamic hub once again, inviting people to gather, shop, and connect. In a world that is often fast-paced and disconnected, the return of the Grand Terrace Market promises to reignite the sense of belonging that has been cherished for generations. As the new owners prepare for the grand reopening, the community of Grand Terrace looks forward to rediscovering their beloved market where friendships flourish, traditions continue, and local flavors abound. The Grand Terrace Market is not just opening its doors; it is reopening a cherished chapter in the story of our community. Stay tuned for more updates and join in the excitement as we welcome back a historical landmark that has always been, and will continue to be, a place of joy for all.



AGENDA REPORT

MEETING DATE: May 13, 2025

TO: CITY COUNCIL

FROM: Scott Hutter, Planning & Development Services Director

AGENDA TITLE: Zoning Code Amendment (ZCA) 24-04: Second Reading and Adoption of an Ordinance Amending the Grand Terrace Municipal Code Chapter 5.06 (Home Occupation Permits); Chapter 5.40 (Garage Sales); Chapter 5.42 (Integrated Waste Management); Chapter 5.48 (Massage Parlors and Massage Technicians); Chapter 8.108 (Noise); Chapter 8.112 (Fireworks); Chapter 9.05 (Vending on City Sidewalks); Chapter 10.16 (Storage of Vehicles – Intersection Obstruction); Chapter 12.32 (Conduct on Public Property – Parks); Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way); Chapter 15.56 (Water Efficient Landscape); Chapter 18.10 (Residential Districts); Chapter 18.53 (AG Agricultural Overlay District); Chapter 18.56 (AG-2 Agricultural 2 Overlay District); Chapter 18.64 (Objective Design Standards); Chapter 18.80 (Signs); and Chapter 18.82 (Standards for Specified Land Uses and Activities), and a Determination That ZCA 24-04 is Exempt From CEQA Pursuant to CEQA Guidelines Section §15061(b)(3) – *Common Sense Exemption.*)

RECOMMENDATION:

It is recommended that the City Council conduct the second reading and direct the City Attorney to read the ordinance by title only, waive reading of, and adopt, “**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, AMENDING CITY MUNICIPAL CODE CHAPTER 5.06 (HOME OCCUPATION PERMITS); CHAPTER 5.40 (GARAGE SALES); CHAPTER 5.42 (INTEGRATED WASTE MANAGEMENT); CHAPTER 5.48 (MASSAGE PARLORS AND MASSAGE TECHNICIANS); CHAPTER 8.108 (NOISE); CHAPTER 8.112 (FIREWORKS); CHAPTER 9.05 (VENDING ON CITY SIDEWALKS); CHAPTER 10.16 (STORAGE OF VEHICLES – INTERSECTION OBSTRUCTION); CHAPTER 12.32 (CONDUCT ON PUBLIC PROPERTY – PARKS); CHAPTER 12.56 (WIRELESS TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHT-OF-WAY); CHAPTER 15.56 (WATER EFFICIENT LANDSCAPE); CHAPTER 18.10 (RESIDENTIAL DISTRICTS); CHAPTER 18.53 (AG AGRICULTURAL OVERLAY DISTRICT); CHAPTER 18.56 (AG-2 AGRICULTURAL 2 OVERLAY DISTRICT); CHAPTER 18.64 (OBJECTIVE DESIGN STANDARDS); CHAPTER 18.80 (SIGNS); AND CHAPTER 18.82 (STANDARDS FOR SPECIFIED LAND USES AND ACTIVITIES); AND DETERMINE THAT ZCA 24-04 ENVIRONMENTALLY EXEMPT PURSUANT TO SECTION 15061(B)(3) OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES.**”

SUMMARY:

The City Council conducted a duly noticed Public Hearing on April 8, 2025, for the aforementioned Ordinance which is provided as *Attachment 1* to this agenda staff report. For this Ordinance to become effective, the City Council needs to conduct the second reading of the Ordinance to adopt it. Once the Ordinance is adopted it will become effective in thirty (30) days.

BACKGROUND:

At their April 8, 2025, meeting, the City Council acted to approve Zone Change Amendment (ZCA) 24-04 to make changes to its Municipal Code by introduction of this Ordinance. This Ordinance approving ZCA 24-04 represents Planning Staffs proposed edits, the Planning Commission/Site and Architectural Review Boards recommendations, and the City Councils recommendations.

ANALYSIS:

The Zoning Code Amendment (ZCA) 24-04 amends the City's Municipal Code and a summary of the text edits to the Municipal Code in ZCA 24-04 are listed below in chronological order:

1. Amend Section 5.06.050 (Evaluation and Notice) of Chapter 5.06 (Home Occupation Permits).
2. Amend Section 5.06.060 (Decision to Approve or Deny) of Chapter 5.06 (Home Occupation Permits).
3. Amend Section 5.40.050 (Length – Frequency - Hours) of Chapter 5.40 (Garage Sales).
4. Amend Section 5.42.160 (Frequency of Removal) of Chapter 5.42 (Integrated Waste Management).
5. Amend Section 5.48.110 (Hours of Operation – Food or Beverages) of Chapter 5.48 (Massage Clinics and Massage Technicians).
6. Amended Section 8.108.010 (Intent) of Chapter 8.108 (Noise).
7. Add new Section 8.108.020.020 (Definitions) of Chapter 8.108 (Noise).
8. Amend Section 8.108.030 (Loud, annoying, excessive and unnecessary noises prohibited) of Chapter 8.108 (Noise).
9. Amend Section 8.108.040 (Exemptions).
10. Amend Section 8.108.050 (Special Activities) of Chapter 8.108 (Noise).
11. Add Section 8.108.060 (Construction Activities) of Chapter 8.108 (Noise).
12. Amend Section 8.108.070 (Prohibited Noise) of Chapter 8.108 (Noise).
13. Add new Section 8.108.080 (Noise Performance Standards) of Chapter 8.108 (Noise).
14. Add new Section 8.108.090 (Mixed use development) of Chapter 8.108 (Noise).

15. Add new Section 8.108.100 (Infill single-family residential development) of Chapter 8.108 (Noise).
16. Add new Section 8.108.110 (Noise level measurement criteria) of Chapter 8.108 (Noise).
17. Added new Section 8.108.120 (Penalty for violation) of Chapter 8.108 (Noise).
18. Added new Section 8.108.130 (Penalty for public nuisance) of Chapter 8.108 (Noise).
19. Amend Section 8.112.010 (Dates and Hours of Sale and Discharge) of Chapter 8.112 (Fireworks).
20. Amend Section 9.05.010 (Definitions) of Chapter 9.05 (Vending on City Sidewalks).
21. Amend Section 9.05.020 (Selling Food or Merchandise – Operational Requirements) of Chapter 9.05 (Vending on City Sidewalks).
22. Amend Section 10.16.021 (Restriction of Commercial Vehicles in Front Yards, Paved Driveways and Side Yards of Residential Areas) of Chapter 10.16 (Storage of Vehicles – Intersection Obstruction).
23. Amend Section 12.32.140 (Park Hours) of Chapter 12.32 (Conduct on Public Property - Parks).
24. Amend Section 12.56.070 (Design and Development Standards) of Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way).
25. Amend Section 15.56.130 (Irrigation Scheduling) of Chapter 15.56 (Water Efficient Landscape).
26. Amend Section 18.10.040 (Site Development Standards) of Chapter 18.10 (Residential Districts).
27. Amend Section 18.53.020 (Agricultural overlay standards) of Chapter 18.53 (AG Agricultural Overlay District).
28. Amend Section 18.56.030 (Conditional permitted uses) of Chapter 18.56 (AG-2 Agricultural 2 Overlay District).
29. Amend Section 18.64.040 (Sustainable Design) of Chapter 18.64 (Objective Design Standards).
30. Amend Section 18.80.050 (Signs on Public Property) of Chapter 18.80 (Signs).
31. Amend Section 18.80.130 (General Provisions) of Chapter 18.80 (Signs).
32. Amend Section 18.82.010 (Residential Care Facilities) of Chapter 18.82 (Standards for Specified Land Uses and Activities).

ENVIRONMENTAL REVIEW:

The Ordinance approving ZCA 24-04 is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) – *Common Sense Exemption*. The text amendments cleaning up the Municipal Code to improve consistency and streamline processes. Regular text edits to the Municipal Code is an activity that is covered by the commonsense exemption. CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the ZCA 24-04 activity will have a significant effect on the environment, the ZCA 24-04 activity is not subject to CEQA. The project will not have a significant effect on the environment because the text amendments to the Municipal Code are regulatory in nature. A Notice of Exemption (NOE) is provided as *Attachment 2* to this agenda report and will be filed with the County and State after second reading.

CONCLUSION:

This Ordinance approving ZCA 24-04 is consistent with the spirit and intent of the Implementation Plan Goals 2.1 and 2.3 in that is the City conducting a periodical review of the Zoning Code and Municipal Code standards to assure effective regulation of land uses and noise. ZCA 24-04 will streamline and clarify existing regulations and establish new noise standards. There is no foreseeable detriment to the people working or living within the City resulting from the proposed ZCA 24-04.

ATTACHMENTS:

- 1) Ordinance for ZCA 24-04
- 2) Notice of Exemption (NOE)

ATTACHMENT 1

ORDINANCE NO. 366

AN ORDINANCE OF THE CITY COUNCIL OF GRAND TERRACE, CALIFORNIA, APPROVING ZONING CODE AMENDMENT (ZCA) 24-04, AMENDING THE GRAND TERRACE MUNICIPAL CODE CHAPTER 5.06 (HOME OCCUPATION PERMITS); CHAPTER 5.40 (GARAGE SALES); CHAPTER 5.42 (INTEGRATED WASTE MANAGEMENT); CHAPTER 5.48 (MASSAGE PARLORS AND MASSAGE TECHNICIANS); CHAPTER 8.108 (NOISE); CHAPTER 8.112 (FIREWORKS); CHAPTER 9.05 (VENDING ON CITY SIDEWALKS); CHAPTER 10.16 (STORAGE OF VEHICLES – INTERSECTION OBSTRUCTION); CHAPTER 12.32 (CONDUCT ON PUBLIC PROPERTY – PARKS); CHAPTER 12.56 (WIRELESS TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHT-OF-WAY); CHAPTER 15.56 (WATER EFFICIENT LANDSCAPE); CHAPTER 18.10 (RESIDENTIAL DISTRICTS); CHAPTER 18.53 (AG AGRICULTURAL OVERLAY DISTRICT); CHAPTER 18.56 (AG-2 AGRICULTURAL 2 OVERLAY DISTRICT); CHAPTER 18.64 (OBJECTIVE DESIGN STANDARDS); CHAPTER 18.80 (SIGNS); AND CHAPTER 18.82 (STANDARDS FOR SPECIFIED LAND USES AND ACTIVITIES), AND A DETERMINATION THAT ZCA 24-04 IS EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3) - COMMON SENSE EXEMPTION.

WHEREAS, the City of Grand Terrace (“City”) adopted a Zoning Code as set forth in Title 18 of the Grand Terrace Municipal Code, which has been amended from time to time; and

WHEREAS, the City wishes to protect and preserve the quality of life throughout the City through effective land use and planning; and

WHEREAS, the Municipal Code and its Zoning are local law that regulates various aspects of how land can be used and what is acceptable and unacceptable with respect to noise; and

WHEREAS, Chapter 5.06 (Home Occupation Permits) establishes a process and criteria to regulate “commercial uses” associated with a residence where the business will clearly not alter the character of the residential environment; and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 5.06.050 (Evaluation and Notice) of Chapter 5.06 (Home Occupation Permits) establishing timelines and a notification process for all owners of contiguous property to be used if the “home occupation” permit application is not compliant one or more of the required criteria; and

WHEREAS, Chapter 5.40 (Garage Sales) establishes a process and criteria to regulate “garage sales” associated with a residentially zoned or occupied property; and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 5.40.050 (Length – Frequency - Hours) of Chapter 5.40 (Garage Sales) specifying the hours when the garage sale can occur; and

WHEREAS, Chapter 5.42 (Integrated Waste Management) establishes a process and criteria to regulate “waste management services” within the City; and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 5.42.160 (Frequency of Removal) of Chapter 5.42 (Integrated Waste Management) relating to when the hours when waste collection can occur and whom at the City may modify said hours; and

WHEREAS, Chapter 5.48 (Massage Parlors and Massage Technicians) establishes a process and criteria to regulate “massage” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 5.48.110 (Hours of Operation – Food or Beverages) of Chapter 5.48 (Massage Parlors and Massage Technicians) relating to when the hours when a massage establishment can occur; and

WHEREAS, Chapter 8.108 (Noise) establishes a process and criteria to regulate “noise” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 8.108.010 (Intent), add Section 8.108.020 (Definitions), amend Section 8.108.030 (Loud, Annoying, Excessive and Unnecessary Noises Prohibits), amend Section 8.108.040 (Exemptions), amend Section 8.108.050 (Special Activities), add Section 8.108.060 (Construction Activities), amend Section 8.108.070 (Prohibited Noise), add Section 8.108.080 (Noise Performance Standards), add Section 8.108.090 (Mixed Use Development), add Section 8.108.100 (Infill Single-Family Residential Development), add Section 8.108.110 (Noise Level Measurement Criteria), amend Section 8.108.120 (Penalty For Violation), and add Section 8.108.130 (Penalty for Public Nuisance) to establish noise level limits and measurement criteria as a part of a comprehensive update to the noise standards; and

WHEREAS, Chapter 8.112 (Fireworks) establishes a process and criteria to regulate “safe and sane fireworks” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 8.112.010 (Dates and Hours of Sale and Discharge) of Chapter 8.112 (Fireworks) relating to when the hours when safe and sane fireworks can be discharged on the 4th of July; and

WHEREAS, Chapter 9.05 (Vending on City Sidewalks) establishes a process and criteria to regulate “sidewalk vendors” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 9.05.010 (Definitions), and amend Section 9.05.020 (Selling Food or Merchandise – Operational Requirements) of Chapter 9.05 (Vending on City Sidewalks) relating to when the hours when vending can occur and incorporating a security camera requirement; and

WHEREAS, Chapter 10.16 (Storage of Vehicles – Intersection Obstruction) establishes a process and criteria to regulate “commercial vehicles” within residentially zoned properties, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 10.16.021 (Restriction of Commercial Vehicles in Front Yards, Paved Driveways and Side Yards of Residential Areas) of Chapter 10.16 (Storage of Vehicles – Intersection Obstruction) relating to removal of recreational vehicles from the prohibited vehicles graphic as they are already regulated by a more recent Ordinance found in Section 18.60.030 (Parking Regulations of Chapter 18.60 (Off-Street Parking); and

WHEREAS, Chapter 12.32 (Conduct on Public Property - Parks) establishes a process

and criteria to regulate “Public Property” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 12.32.140 (Park Hours) of Chapter 12.32 (Conduct on Public Property - Parks) relating to when the hours when a City park can be open and whom at the City may modify said hours; and

WHEREAS, Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way) establishes a process and criteria to regulate permitting, development, siting, installation, design, operation and maintenance of “wireless telecommunications facilities” in the City's public right-of-way, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 12.56.070 (Design and Development Standards) of Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way) relating to when the hours when noise associated with a backup generator can occur; and

WHEREAS, Chapter 15.56 (Water Efficient Landscape) establishes a process and criteria to regulate “landscape irrigation” for water conservation purposes pursuant to State law within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 15.56.130 (Irrigation Scheduling) of Chapter 15.56 (Water Efficient Landscape) to define overhead irrigation of residential and commercial landscape, so it is not confused with agricultural irrigation; and

WHEREAS, Chapter 18.10 (Residential Districts) establishes a process and criteria to regulate “residential zones” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.10.040 (Site Development Standards) of Chapter 18.10 (Residential Districts) relating to the number or multiple family bedrooms and the minimum square feet for one, two, three, and four plus bedroom duplex, triplex, and multiple family construction; and

WHEREAS, Chapter 18.53 (AG Agricultural Overlay District) establishes the standards for the AG Overlay within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.53.020 (Agricultural Overlay Standards) of Chapter 18.53 (AG Agricultural Overlay District) relating to the addition of a Conditional Use Permit (CUP) requirement for the “overhead irrigation” of orchards, groves, and other crops, and

WHEREAS, Chapter 18.56 (AG-2 Agricultural 2 Overlay District) establishes the standards for the AG-2 Overlay within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.56.030 (Conditionally Permitted Uses) of Chapter 18.56 (AG-2 Agricultural 2 Overlay District) relating to the addition of a Conditional Use Permit (CUP) requirement for the “overhead irrigation” of orchards, groves, and other crops; and

WHEREAS, Chapter 18.64 (Objective Design Standards) establishes a process and design standards that are “objective” for multifamily residential development and mixed-use development with a residential component to ensure that such development is attractively

designed, maintains positive aesthetic characteristics, and to provide property owners and developers with predictable design approval standards for such development and establishes conditions and procedures for processing streamlined housing projects consistent with Government Code Section 65913.4 within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.64.040 (Sustainable Design) of Chapter 18.64 (Objective Design Standards) relating to minimum Leadership in Energy and Environmental Design (LEED) certification requirement for an Objective Design Standards (ODS) development application within the City; and

WHEREAS, Chapter 18.80 (Signs) establishes a process and criteria to regulate “signage” within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.80.050 (Signs on Public Property) and Section 18.80.130 (General Provisions) of Chapter 18.80 (Signs) relating to hours when temporary signs displayed in the public right-of-way can occur and the prohibition of illuminated signs that face a residential use; and

WHEREAS, Chapter 18.82 (Standards for Specified Land Uses and Activities) contains standards for unique land uses within the City, and

WHEREAS, Zoning Code Amendment 24-04 proposes to amend Section 18.82.010 (Residential Care Facilities) of Chapter 18.82 (Standards for Specified Land Uses and Activities) relating to when the hours when noise associated with outdoor activities at a residential care facility can occur; and

WHEREAS, state law requires that the City’s Zoning Code (Title 18 of the Grand Terrace Municipal Code) conform with the General Plan’s goals and policies, and

WHEREAS, pursuant to Sections 65800 and 65850 of the California Government Code, the City may adopt ordinances to establish requirements for the regulation of land uses, in compliance with the California Government Code, and

WHEREAS, notice of the City Council Public Hearing concerning this Ordinance was duly published in a local newspaper at least ten (10) days prior to the Public Hearing and posted by the City Clerk in compliance with the City’s Zoning Code and City Council Resolution No. 2019-24, Expanded Public Noticing and Outreach Policy for Public Hearings and Public Workshops; and

WHEREAS, Ordinance No. 366 approving Zoning Code Amendment (ZCA) 24-04 is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) – *Common Sense Exemption* in that the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment and the Zoning Code update to establish noise standards, streamline Home Occupation Permits, and correct miscellaneous inconsistencies within the Municipal Code will not have a significant effect on the environment; and

WHEREAS, on November 21, 2024, the Planning Commission/Site and Architectural Review Board of the City of Grand Terrace conducted a duly noticed Public Hearing on Zoning Code Amendment (ZCA) 24-04 and considered testimony and evidence presented by the public, city staff, and other interested parties, at the Public Hearing held within respect thereto asking

staff incorporate the following changes:

- 1) Revise Chapter 5.40 GARAGE SALES to start at 7:00a.m. and to end at sunset and to use "sunset" uniformly throughout ZCA 24-04 in place of dusk;
- 2) Revise Chapter 5.42 INTEGRATED WASTE MANAGEMENT to use "or their designee" uniformly throughout ZCA 24-04;
- 3) Revise Chapter 8.108 NOISE to incorporate standards that address commercial and residential areas and ensure automotive repair ends at sunset;
- 4) Revise Chapter 9.05 VENDING ON CITY SIDEWALKS to require "sidewalk vending security camera" for all sidewalk vendors;
- 5) Revise Chapter 15.56 WATER EFFICIENT LANDSCAPE to address residential versus agricultural overhead irrigation and to check with the water purveyor; and

WHEREAS, on January 16, 2025, the Planning Commission/Site and Architectural Review Board of the City of Grand Terrace reopened the duly noticed Public Hearing on Zoning Code Amendment (ZCA) 24-04 and at staffs request continued the public hearing to February 27, 2025, due to delays in agenda preparation arising from citywide storm power outages; and

WHEREAS, on February 27, 2025, the Planning Commission/Site and Architectural Review Board of the City of Grand Terrace reopened the duly noticed Public Hearing on Zoning Code Amendment (ZCA) 24-04 and considered testimony and evidence presented by the public, city staff, and other interested parties, at the Public Hearing held within respect thereto; and

WHEREAS, on February 27, 2025, the Planning Commission/Site and Architectural Review Board of the City of Grand Terrace concluded the Public Hearing with adoption of Planning Commission / Site and Architectural Review board Resolution recommending City Council approval of Zoning Code Amendment (ZCA) 24-04 along with the Commissions asking staff to incorporate the additional changes:

- 1) Revise Chapter 8.108 NOISE to add a new section under 8.108.030 EXEMPTIONS to address railroad and locomotive noise. The new section will exempt sounds and noise generated by railroad operations, including train whistles, horns, and warning signals, in compliance with applicable federal, state, or local regulations;
- 2) Revise Chapter 8.108 NOISE to add the phrase "approved by the City" to Section 8.108.030 F for clarity;
- 3) Revise Chapter 8.108 NOISE to eliminate Section 8.108.040 C and create a new section under 8.108.050 titled "Construction Activities";
- 4) Revise Chapter 8.108 NOISE to specify the end of maintenance of real property at sunset and to consistently use the term "sunset" throughout ZCA 24-04, replacing "dusk";
- 5) Revise Chapter 8.108.050 PROHIBITED NOISE E. Jaime Needs to give us guidance on the language about legal recommendations about regulating locomotives;

- 6) Revise Chapter 8.108 NOISE to clarify the conditions under which noise becomes a nuisance by amending Section 8.108.070, Mixed-use development, to include the following language: “, when the noise exceeds the standards established by the performance standards”;
- 7) Revise Chapter 8.108 NOISE to clarify the conditions under which noise becomes a nuisance by amending Section 8.108.080, Infill single-family residential development, to include the following language: “, when the noise exceeds the standards established by the performance standards”;
- 8) Revise Chapter 8.108 NOISE to remove the quotation under Section 8.108.110;
- 9) Revise Chapter 9.05 VENDING ON CITY SIDEWALKS to add the term "persons" to the locations where a surveillance camera can be installed in Section 9.05.010, Definitions;
- 10) Revise Chapter 9.05 VENDING ON CITY SIDEWALKS to replace “if applicable” with “if selling of food” to Section 9.05.020 Selling food or merchandise—Operational requirements;
- 11) Revise Chapter 9.05 VENDING ON CITY SIDEWALKS to include the requirement that "the vendor must be able to provide video upon request by City Officials and must have at least one week's worth of video storage”;
- 12) Revise Chapter 15.56 WATER EFFICIENT LANDSCAPE to add the word "regularly" to "shall be scheduled" in Section 15.56.130 Irrigation Scheduling; and

WHEREAS, on March 25, 2025, the City Council of the City of Grand Terrace held a duly noticed Public Hearing with respect thereto, and considered testimony and evidence at the Public Hearing on the Ordinance that would approve Zoning Code Amendment (ZCA) 24-04; and

WHEREAS, on March 25, 2025, the City Council of the City of Grand Terrace continued the Public Hearing on the Ordinance that would approve Zoning Code Amendment (ZCA) 24-04 to the regularly scheduled Public Hearing of April 8, 2025, and directed staff to incorporate additional changes:

- 1) Revise Chapters 5.06 HOME OCCUPATION PERMITS and 5.48 MASSAGE PARLORS AND MASSAGE TECHNICIANS to replace all use of massage “parlor” with massage “clinic;” and
- 2) Revise Chapter 8.108 NOISE to add language that the Building Official may, in their reasonable discretion, extend or limit construction hours in Section 8.108.060; and
- 3) Revise Chapter 12.56 WIRELESS TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHT-OF-WAY to make Section 12.56.070 read better so testing times and run times of the generators are clear.

WHEREAS, on April 8, 2025, the City Council of the City of Grand Terrace reopened the Public Hearing continued from March 25, 2025, and introduced and conducted a first reading of this Ordinance, held a duly noticed Public Hearing with respect thereto, and considered testimony

and evidence at the Public Hearing on the Ordinance approving Zoning Code Amendment (ZCA) 24-04; and

WHEREAS, on May 13, 2025, the City Council of the City of Grand Terrace conducted a second reading and adoption of the Ordinance; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred; and,

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby specifically finds that all the facts set forth in the above Recitals are true and correct and incorporated herein by this reference and made a part hereof.

SECTION 2. Based upon the forgoing and all oral and written testimony by members of the public and City staff (including, but not limited to, staff reports and attachments) made at the Public Hearing, the City Council hereby finds that the Project “Zoning Code Amendment (ZCA) 24-04” is not subject to environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines as follows:

Finding: A project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Facts in Support of Finding: The City of Grand Terrace has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if the Zoning Code Amendment project is exempt from CEQA. Since it can be seen with certainty that the Zoning Code Amendment (ZCA) 24-04 solely a text edit exercise for internal consistency and streamlining purposes, it has no foreseeable potential to have a significant adverse effect on the environment. The City of Grand Terrace has determined that the proposed Zoning Code Amendment (ZCA) 24-04 is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) - Common Sense Exemption. The project is exempt under the “common sense” exemption because it does not involve any grading, demolition, or construction activities that will have a significant effect on the environment. The project is strictly a text update to the City’s Municipal Code. It can be said with certainty that the project will not have a significant effect on the environment. As such, the proposed project is exempt from CEQA, or not subject to CEQA, pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

A Notice of Exemption (NOE) has been prepared for the project in that the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. The project will not have a significant effect on the environment because the amendments only update land use regulations in the Zoning Code.

SECTION 3. Based upon the forgoing and all oral and written testimony by members of the public and City staff (including, but not limited to, staff reports and attachments) made at the

Public Hearing, the City Council determines the findings for Zoning Code Amendment (ZCA) 24-04 pursuant to Grand Terrace Municipal Code Section §18.90.040 can be made supporting the project application as follows:

- 1) **Finding:** The proposed amendment will not be detrimental to the health, safety, morals, comfort or general welfare of the persons residing or working within the neighborhood of the proposed amendment or within the City.

Facts in Support of Finding: The Zoning Code Amendment (ZCA) 24-04 amends the City's Municipal Code to consolidate address primarily the hours identified for noise associated with activities to occur. In addition this ZCA will also address miscellaneous inconsistencies within the Municipal Code as a "clean-up" exercise. There is no foreseeable detriment to the persons working or living within the City resulting from the proposed ZCA 24-04 as the edits to Municipal Code will streamline the processes contained within and ensure internal consistency between Chapters and Sections.

- 2) **Finding:** The proposed amendment will not be: Injurious to property or improvements in the neighborhood or within the City.

Facts in Support of Finding: The Zoning Code Amendment (ZCA) 24-04 to amend the City's Municipal Code will not be injurious to property improvements within neighborhoods in the City because ZCA 24-04 is clarifying the municipal code for all who reference it so no confusion exists with respect to hours when activities and noise can occur. In addition, there are various sections of the Municipal Code requiring additional "clean-up" for internal consistency and streaming purposes that the City has identified and included as a part of this ZCA.

- 3) **Finding:** The proposed amendment will be consistent with the latest adopted general plan.

Facts in Support of Finding: This ZCA 24-04 is consistent with the spirit and intent of the Implementation Plan Goal 2.1 and Policy 2.1.4 in that is the City conducting a periodical review of the Zoning Code land use standards to bring specific additions and deletions for residential and non-residential land uses to the Planning Commission and City Council for inclusion in the Municipal Code.

SECTION 4. Sections 5.06.050 "Evaluation and Notice" and Section 5.06.060 "Decision to Approve or Deny" of Chapter 5.06 – HOME OCCUPATION PERMITS of the Grand Terrace Municipal Code are hereby amended to read in their entirety as follows:

"5.06.050 Evaluation and Notice.

The community development director or their designee shall review a Home Occupation Permit. If it meets the criteria set forth in this chapter, the Home Occupation Permit shall be approved. If it does not meet the criteria set forth in this Chapter, the Home Occupation Permit request shall be denied, or they can provide notice to all owners of contiguous property, seeking their support or opposition to the Home Occupation Permit. The notice shall make contiguous property owners aware of the character and scope of the proposed Home Occupation Permit and request their support or opposition to the Home Occupation Permit:

- A. "Contiguous property," for the purposes of this Chapter, is defined as those properties which touch property lines of any parcel that is the subject of a request for a home occupation permit, including those properties which touch the property lines of the subject parcel when projected across public or private rights-of-way or easements.
- B. Notice shall be given by first class mail or delivery to all contiguous property owners for home occupation permits.
- C. Notice may be given in such other manner as is deemed necessary or desirable by the community development director in order to achieve sufficient notice.
- D. Notice shall include all necessary information to give those receiving the notice a reasonable opportunity to evaluate the implications of the proposal and to participate in the decision-making process."

"Section 5.06.060 "Decision to Approve or Deny.

Within ten (10) days after receiving a compliant application, the community development director or their designee shall review the initial findings and notify the applicant if they are compliant and approved. Within fourteen (14) days after giving notice to contiguous property owners of an application that does not meet one or more of the criteria listed in this Chapter, the community development director or their designee shall review the initial findings and notify the applicant and contiguous property owners of their decision to approve or deny the Home Occupation Permit."

SECTION 5. Section 5.40.050 "Length-Frequency-Hours" of Chapter 5.40 – GARAGE SALES of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"5.40.050 Length—Frequency—Hours.

Not more than two garage sales may be conducted by any person or upon a lot or parcel of land during any period of 12 consecutive months. Such garage sale shall not be conducted for longer than three consecutive days. The sale shall not be conducted between the hours of sunset of any one day and 7:00 a.m. of the following day."

SECTION 6. Section 5.42.160 "Frequency of Removal" Of Chapter 5.42 – INTEGRATED WASTE MANAGEMENT of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"5.42.160 Frequency of Removal.

- A. Persons in charge of the day-to-day operation of properties other than commercial food preparation establishments, shall make arrangements to have removed, not less frequently than once a week, from the property upon which the residence or residences are located, all refuse on the premises.
- B. Every person in charge of commercial food preparation establishments shall cause all refuse to be removed from the property not less frequently than twice a week.

- C. The City Manager or their designee may specify the frequency of collection of refuse created, produced or brought upon the premises of commercial or multifamily residential premises, and the size and number of bins required.
 - D. Collection shall be made only between the following hours:
 - 1. For multiple family residential and commercial properties between 6:00 a.m. and 5:00 p.m. Monday through Saturday.
 - 2. For single family residential properties between the hours of 6:30 a.m. and 5:00 p.m., Monday through Saturday.
- Alternative pickup hours may be authorized only upon prior written approval of the City Manager or their designee, which shall include requirements for the contractor to notify the affected customers prior to implementing the change.
- E. In order to prevent problems of traffic, noise, wear and tear on the highway, or other problems having the potential to adversely affect health, safety or the environment, which may develop in any specific area as a result of solid waste collection, the City Manager or their designee may regulate the routes, intervals, delivery points, and times for collection by all contractors operating within the City."

SECTION 7. Sections 5.48.010 "Definitions," 5.48.020 "License Required," 5.48.030 "Exemptions," 5.48.040 "Scope of Technician License," 5.48.050 "Application for License," 5.48.060 "Issuance of License," 5.48.070 "Appeal of License Denial," 5.48.080 "Nontransferability," 5.48.090 "Term – Renewal," 5.48.100 "Required Facilities and Practices," 5.48.110 "Hours of Operation – Food or Beverages," 5.48.120 "Bodily Exposure or Contact," 5.48.130 "Records of Treatments," 5.48.140 "Revocation of License," 5.48.150 "Abatement as Nuisance," and 5.48.160 "Enforcement: of Chapter 5.48 – MASSAGE CLINICS AND MASSAGE TECHNICIANS of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"Chapter 5.48 MASSAGE CLINICS AND MASSAGE TECHNICIANS"

Sections:

"5.48.010 Definitions.

The following words and phrases, as used in this Chapter, shall have the signification and meaning attached to them in this Section unless otherwise clearly apparent from the context:

- A. "Massage" means any method of pressure on or friction against, or stroking, kneading, rubbing, tapping, pounding or stimulating the external parts of the body with the hands or other parts of the body, with or without the aid of any mechanical or electrical apparatus or appliances, or with or without supplementary aids such as rubbing alcohol, liniments, antiseptics, oils, powder, creams, lotions, ointments or other similar preparations commonly used in this practice.
- B. "Massage clinic" means and includes any massage establishment, or any room, place or institution where massage of the human body is given or administered for consideration of any kind.

- C. "Massage technician" means and includes any person who gives, performs or administers to another person a massage as defined in this Section.
- D. "Person" means and includes person(s), firms, corporations, associations or any other form of business organization or group.
- E. "Recognized school" means and includes any school or institution of learning which has for its purpose the teaching of the theory, method, profession or work of massage technician or therapist, which school requires a resident course of study of not less than 200 hours to be given before the student is furnished with a diploma or certificate of graduation from such school or institution of learning showing the successful completion of such course of study or learning."

"5.48.020 License required.

It is unlawful for any person to practice, engage in or carry on the business or activities of a massage technician or massage clinic within the City without having a license under this Chapter to do so and complying with all regulations and requirements as contained and set forth in this Chapter. It is unlawful for any owner, operator, responsible managing employee, manager or permittee in charge of or in control of a massage clinic to employ or permit a person to act as a massage technician, as defined in this Chapter, who is not in possession of a valid unrevoked massage technician license issued by the City."

"5.48.030 Exemptions.

This Chapter shall not apply to the following classes of individuals, and no permit shall be required of such persons, while engaged in the performance of the duties of their respective professions:

- A. Physicians, surgeons, chiropractors, osteopaths or physical therapists who are duly licensed to practice their respective professions in the State;
- B. Nurses who are registered as such under the laws of the State;
- C. Barbers, beauticians and cosmetologists who are duly licensed under the laws of the State;
- D. Athletic team or personal athletic trainer;
- E. Acupuncturists who are duly certified to practice their profession in the State."

"5.48.040 Scope of technician license.

A license to perform massage services as a massage technician does not authorize the operation of a massage clinic. Any person licensed to perform as a massage technician who desires to operate a massage clinic shall separately apply for a license therefor."

“5.48.050 Application for license.

- A. Any person desiring to obtain a license to operate a massage clinic or engage in massage technician services shall make written application to the City Clerk, who shall refer all such applications to the Chief of Police for an appropriate investigation.
- B. Each application for a massage clinic license shall be accompanied by a nonrefundable investigative fee as set by resolution of the City Council. Each application for a massage technician license shall be accompanied by a nonrefundable investigative fee as set by resolution of the City Council.
- C. An applicant for a license under this Chapter shall submit the following information:
 - 1. Full name and any alias theretofore used or currently used and current address;
 - 2. Fingerprints as may be required by the Chief of Police;
 - 3. The two previous business and residence addresses of the applicant immediately prior to the current address;
 - 4. Written proof that the applicant is over the age of 18 years;
 - 5. Applicant's height, weight and color of eyes and hair;
 - 6. Two current photographs at least two inches by two inches in size;
 - 7. The business, occupation or employment of the applicant for three years immediately preceding the date of the application and the location where the licensed activities will be conducted;
 - 8. Any massage or similar business license history of the applicant, including whether such person, in previous operation, in this or another area, has had his or her license revoked or suspended, the reason therefor, and any business activity or occupation subsequent to the action of suspension or revocation;
 - 9. All convictions and the grounds therefor;
 - 10. A certificate from the environmental health officer designating that the applicant has, within 30 days immediately prior thereto, been examined and found to be free of any contagious or communicable disease;
 - 11. Applicants for a massage technician license must in addition to the requirements set out above in this Section, furnish a diploma or certificate of graduation from a recognized school or other institution of learning as defined in this Chapter. The Chief of Police shall determine whether this educational requirement has been met.”

“5.48.060 Issuance of license.

Upon payment of all fees, submitting all information required by the application and upon proper inspection and investigation, a license shall be issued to applicants therefor by the City Clerk only if all requirements of this Chapter and all other applicable laws are met, and such

compliance is reported to the City Clerk by the Chief of Police pursuant to his investigation under this Chapter. A license shall also be denied upon a showing of any of the matters set forth in California Government Code Section 51032.”

“5.48.070 Appeal of license denial.

Any person denied a license pursuant to this Chapter may appeal to the City Council in writing, stating reasons why the permit should be granted. The City Council may grant or deny the permit. The council may also review any determination of the Clerk granting or denying a permit on its own motion. Any appeal must be made within ten days of denial of a license. The decision of the City Council on any appeal shall be final.”

“5.48.080 Nontransferability.

All licenses issued under this Chapter are nontransferable, both as to location and the person holding a license. Every person to whom a license has been granted shall display the license in a conspicuous place where the licensed activities are performed or conducted.”

“5.48.090 Term—Renewal.

Every license issued under this Chapter shall terminate at the expiration of one year from the date of its issuance unless revoked prior to the termination pursuant to Section 5.48.140. Any renewal of a license issued under this Chapter shall be pursuant to the same requirements, procedures, provisions and regulations set forth in this Chapter for an original license.”

“5.48.100 Required facilities and practices.

No license to conduct a massage clinic shall be issued unless an inspection by the Chief of Police discloses that the massage clinic premises and operation will at all times comply with each of the following minimum requirement:

- A. A readable sign shall be posted at the main entrance identifying the establishment as a massage clinic, provided, also, that all such signs shall otherwise comply with the sign requirements of City ordinances.
- B. Minimum lighting shall be provided in accordance with the Uniform Building Code and, additionally, at least one artificial light of not less than 40 watts shall be provided and used at all times in each enclosed room or booth where massage services are being rendered.
- C. Minimum ventilation shall be provided in accordance with the Uniform Building Code.
- D. Adequate equipment for disinfecting and sterilizing any instruments used for massage shall be provided.
- E. Hot and cold running water shall be provided.
- F. Closed cabinets shall be utilized for the storage of clean linen.
- G. Adequate dressing and toilet facilities shall be provided for patrons.

- H. All walls, ceilings, floors, steam or vapor rooms, and all other physical facilities for the massage clinic shall be kept in good repair, maintained in a clean and sanitary condition.
- I. Clean and sanitary towels and linens shall be provided for patrons receiving massage services. No common use of towels or linens shall be permitted.
- J. The premises to be used shall at all times be in compliance with applicable laws.”

“5.48.110 Hours of operation—Food or beverages.

No massage clinic shall be open between the hours of 11:00 p.m. and 7 a.m. Massage clinics shall not serve food or beverages on the premises of the massage clinic.”

“5.48.120 Bodily exposure or contact.

No massage technician or massage clinic owner or employee may expose his or her genitals, buttocks or, in the case of a female, her breast(s), nor in the course of administering a massage, make intentional contact with the genitals or anus of any other person.”

“5.48.130 Records of treatments.

Every person, association, firm or corporation operating a massage clinic under a license as provided in this Chapter shall keep a record of the date and hour of each treatment, the name and address of the patron, and the name of the technician administering such treatment. The records shall be maintained for a period of two years. The records shall be open to inspection by officials charged with the enforcement of these provisions for the purposes of law enforcement and for other purposes related to this Chapter.”

“5.48.140 Revocation of license.

- A. No license issued under this Chapter shall be revoked until notice and a hearing has been held before the City Council to determine just cause for revocation. Notice of such hearing shall be given in writing and served at least ten days prior to the date of the hearing thereon. The notice shall state the grounds of the complaint against the holder of such license, and shall designate the time and place where such hearing will be held.
- B. The notice shall be served upon the license holder by delivering the same personally or by leaving such notice at the place of business or residence of the license holder in the custody of a person over the age of eighteen years. In the event the license holder cannot be found, and the service of such notice cannot be otherwise made in the manner provided in this Chapter, a copy of such notice shall be mailed, certified postage fully prepaid, addressed to the permit holder at his or her place of business or residence at least ten days prior to the date of such hearing. The decision of the City Council in a revocation appeal shall be final.
- C. A license issued under this Chapter may be revoked upon one or more of the following grounds:
 - 1. That the holder practiced fraud or deceit in being licensed under this Chapter;
 - 2. That the holder violated a provision or provisions of this Chapter;

3. That the holder has been convicted in a court of competent jurisdiction of a felony or a crime of moral turpitude. The conviction of a felony shall be the conviction of an offense which, if committed within this state, would constitute a felony under the laws thereof;
4. That the facilities and operations of the massage clinic are not kept in compliance with this Chapter as set forth in Section 5.48.110;
5. That the holder has employed, allowed or permitted an unlicensed person to perform massage in the holder's massage clinic;
6. That the holder or the holder's employees have violated state or local laws in conducting activities licensed and regulated by this Chapter."

"5.48.150 Abatement as nuisance.

Any massage clinic operated, conducted or maintained contrary to the provisions of this Chapter shall be and the same is unlawful and a public nuisance and the City attorney may, in addition to or in lieu of prosecuting a criminal action under this Chapter, commence an action or actions, proceeding or proceedings for the abatement, removal and enjoinder thereof, in the manner provided by law, and shall take such other steps, and shall apply to such court or courts as may have jurisdiction to grant such relief as will abate or move such massage clinic and restrain and enjoin any person from operating, conducting or maintaining a massage clinic contrary to the provisions of this Chapter."

"5.48.160 Enforcement.

The provisions of this Chapter shall be enforced by the chief of police."

SECTION 8. Sections 8.108.010 "Intent," 8.108.020 "Definitions," 8.108.030 "Loud, Annoying, Excessive and Unnecessary Noises Prohibited," 8.108.040 "Exemptions," 8.108.050 "Special Activities," 8.108.060 "Construction Activities," 8.108.070 "Prohibited Noise," 8.108.080 "Noise Performance Standards," 8.108.090 "Mixed Use Development," 8.108.100 "Infill Single-Family Residential Development," 8.108.110 "Noise Level Measurement Criteria," 8.108.120 "Penalty for Violation," and 8.108.130 "Penalty for Public Nuisance" of Chapter 8.108 – NOISE in the Grand Terrace Municipal Code are hereby amended to read in their entirety as follows:

"8.108.010 Intent.

It is the intent of this Chapter to protect properties within the City and the health and safety of persons from environmental nuisances and hazards and provide a pleasing environment throughout the City by providing an acceptable noise environment for existing and future residents within the city. The city seeks to accomplish this by establishing the following:

- A. A community noise standard that specifies acceptable noise limits for various land uses and activities; and
- B. Measures to minimize noise impacts from transportation-related noise sources; and
- C. Measures to minimize noise impacts from non-transportation related noise sources."

"8.108.020 Definitions

"A-weighted sound level (dB(A))" means an A-weighted sound level is the sound pressure level in decibels as measured on a sound level meter using the A-weighted filter network. The A-weighting filter de-emphasizes the very low and very high frequency components of the sound in a manner similar to the response of the human hearing system and provides good correlation with subjective reactions to noise.

"Community noise equivalent level (CNEL)" means the average equivalent A-weighted sound level during a twenty-four-hour day, obtained after the addition of five decibels to sound levels occurring during the evening from seven p.m. to ten p.m. and addition of ten decibels to sound levels occurring during the night from ten p.m. to seven a.m. The five and ten decibel penalties are applied to account for increased noise sensitivity during the evening and nighttime hours. The CNEL is not measured, but is computed.

"Cumulative time period" means an additive period of time composed of individual time segments which may be continuous or interrupted.

"Day-night average level (Ldn)" means the average equivalent A-weighted sound level during a twenty-four-hour day obtained after the addition of ten decibels to sound levels occurring during the nighttime from ten p.m. to seven a.m. The ten-decibel penalty is applied to account for increased noise sensitivity during the nighttime hours. The Ldn represents the daily energy noise exposure averaged on an annual basis.

"Hearing board" means the board appointed by city council as arbitrators of the Grand Terrace Municipal Code to review and determine violations, nuisances, abatement procedures, and penalties of this chapter.

"Motor-driven vehicle" shall include but is not limited to, any automobile, truck, van, bus, motorcycle, minibike, go-cart or other self-propelled vehicle, on or off road.

"Noise" means any sound that exceeds the limitations set herein.

"Noise level" means the A-weighted sound pressure level in decibels audible to humans obtained by using a sound level meter. The unit of noise level measurement shall be designated as dB(A).

"Person" means a person, firm, association, co-partnership, joint venture, corporation, or any entity, public or private in nature.

"Residential property" means a parcel of real property which is developed and used either in part or in whole for residential purposes, other than transient uses such as hotels and motels.

"Simple tone noise" means a noise characterized by a predominant frequency, or frequencies so that other frequencies cannot be readily distinguished."

"8.108.030 Loud, annoying, excessive and unnecessary noises prohibited.

- A. Notwithstanding any specified noise level, it shall be unlawful for any person to willfully make or continue, or cause to be made or continued, any loud, unnecessary, unusual, excessive or unreasonable noise that disturbs the peace or quiet of any neighborhood within the City or which causes discomfort or annoyance to any reasonable person of normal sensitivities

in ownership, or control of any premises to knowingly permit a violation of this section upon said premises.

- B. Any law enforcement officer, code enforcement officer, or other employee or official designated by the City Manager who hears excessive noise or sound as defined in this Chapter that is plainly audible, in violation of this Chapter, may enforce this Chapter and shall assess the noise or sound according to the following standards:
1. The primary means of detection shall be by means of the official's normal hearing faculties, not artificially enhanced.
 2. The official shall first attempt to have a direct line of sight and hearing to the vehicle or real property from which the sound or noise emanates so that the official can readily identify the offending source of the sound or noise and the distance involved. If the official is unable to have a direct line of sight and hearing to the vehicle or real property from which the sound or noise emanates, then the official shall confirm the source of the sound or noise by approaching the suspected vehicle or real property until the official is able to obtain a direct line of sight and hearing, and confirm the source of the sound or noise that was heard at the place of the original assessment of the sound or noise.
 3. The official need not be required to identify words, song titles, artists, or lyrics in order to establish a violation."

"8.108.040 Exemptions.

- A. There is exempted from the provisions of this Chapter the use of horns, sirens or other signaling or warning devices by persons vested with legal authority to use the same and in pursuit of their lawful duties, such as on ambulances, fire, police and other governmental or official vehicles.
- B. Emergency type land uses, emergency response vehicles, and emergency notification measures shall be considered as Normally Acceptable measures and exempt from violations and or penalties.
- C. Government events, sponsored events, and public works projects.
- D. Utility Company projects, repairs and work.
- E. Special events and community events approved by the City.
- F. Religious institutions and religious related activities and events approved by the City.
- G. Public Schools and school related activities and events.
- H. Railroad operations and locomotives, including train whistles, horns, and warning signals, in compliance with applicable federal, state, or local regulations.
- I. Collection of refuse by City contracted waste hauler.

- J. Traditional residential yard landscaping maintenance activities (i.e., mechanical sweeping, mechanical grass cutting, mechanical blowing and similar activities) that occur between 7:00 a.m. and 8:00 p.m.
- K. Traditional residential automotive repair activities (i.e., oil changes, brake jobs, minor automotive body or fender or other work on metal objects and metal parts) that occur between 7:00 a.m. and 8:00 p.m.
- L. Testing and operation during a power outage of backup generators on residential and commercial properties that adhere to applicable zoning and building setbacks.
- M. Air conditioning units and pool equipment on residential properties that adhere to applicable zoning and building setbacks.”

“8.108.050 Special activities.

In addition to the exemptions provided for in Section 8.108.030, the following activities shall be exempted from the provisions of this Chapter:

- A. City or school approved activities conducted on public parks, public playgrounds and public or private school grounds including but not limited to athletic and school entertainment events between the hours of 7:00 a.m. and 11:00 p.m.
- B. Noises produced by mechanical devices, apparatus or equipment used, related to, or connected with emergency machinery, vehicles, work or warning alarm or bell, provided the sounding of any bell or alarm on any building or motor vehicle shall terminate its operation within 30 minutes in any hour of its being activated.
- C. All devices, apparatus or equipment associated with agricultural operations provided as follows:
 - 1. Operations shall not take place between 5:00 p.m. and 7:00 a.m.
 - 2. Such operations and equipment are utilized for protection or salvage of agricultural crops during periods of potential or actual frost damage or other adverse weather conditions.
 - 3. Such operations and equipment associated with agricultural pest control through pesticide application provided the application is made in accordance with permits issued or regulations enforced by the California Department of Agriculture.
- D. Noise associated with the maintenance of real property shall not take place between the hours of sunset and 7:00 a.m. on weekdays, and between the hours of sunset and 9:00 a.m. on weekends.”

“8.108.060 Construction Activities.

Construction activities shall only occur between 7:00 a.m. and 5:00 p.m. on weekdays and between 9:00 a.m. and 5:00 p.m. on weekends. No construction is permitted on New Year’s Day, Thanksgiving Day, and Christmas Day. The Building Official may, in their reasonable discretion, extend or limit such hours for any construction.”

“8.108.070 Prohibited Noise.

1. The following noises are prohibited and declared to be nuisances between the hours of 10:00 p.m. and 7:00 a.m. shall include but not be limited to the following, unless otherwise states in a conditional use permit or site and architectural review permit:
 - A. Peddlers Use of Loud Noise to Advertise Goods. No peddler or mobile vendor or any person on their behalf shall shout, cry out or use any device or instrument to make sounds for the purpose of advertising in such a manner as to create a noise disturbance.
 - B. Animal Noises. No person owning or having the charge, care, custody or control of any dog or other animal or fowl shall allow the same to howl, bark, yelp or make other noises in such a manner as to create a noise disturbance.
 - C. Loud and Boisterous Yelling, Shouting, Whistling or Singing. No person shall yell, shout, whistle or sing in a loud and boisterous manner on the public streets so as to disturb the quiet, comfort, or repose of persons in any office, dwelling, hotel or other type of residence or neighborhood.
 - D. Radios, Television Sets, Musical Instruments, Phonographs and Similar Devices. No person shall use, operate or permit to be played, used or operated any radio receiving set, television set, musical instrument, phonograph or other machine or device for producing or reproducing sound in such a manner as to disturb the peace, quiet or comfort of neighboring persons, or at any time with louder volume than is necessary for the convenient hearing of the person or persons who are in the room, vehicle or other enclosure in which such machine or device is operated, and who are voluntary listeners thereto.
 - E. Sounding of Whistles, Horns, Bells, or Other Such Devices. No person shall make or cause to be made the loud, sudden and unnecessary blowing of whistles, sounding of horns, ringing of bells or use of signaling devices by operators of railroad locomotives, motor trucks and other transportation equipment.
 - F. Loading or Unloading of Trucks. No person shall create or cause to be created loud and excessive noise in connection with the loading or unloading of motor trucks and other vehicles, so as to disturb the peace and quiet of adjacent residential neighborhoods.
 - G. Operation of Equipment. The operation or use of any pile driver, steam shovel, pneumatic hammers, derrick, steam or electric hoist, power driven saw, forklifts, milling equipment, other tools or apparatus the use of which is attended by loud and excessive noise, or the movement of tractors, tractor trucks, or large trucks on property adjacent to residences is prohibited.
2. The following noises are prohibited and declared to be nuisances between the hours of 8:00 p.m. and 8:00 a.m. shall include but not be limited to the following, unless otherwise states in a conditional use permit or site and architectural review permit:
 - A. Nonresidential Maintenance Activities. Nonresidential maintenance activities in landscape and parking areas (i.e., mechanical sweeping, mechanical grass cutting, mechanical blowing) in a manner that would cause a noise disturbance to a residential zoning district.

- B. Nonresidential Automotive Repair Works. No person shall do automotive repair, automotive body or fender or other work on metal objects and metal parts.”

“8.108.080 Noise Performance Standards

- A. Normally Acceptable. Specified land use activities that are satisfactory, based upon the assumption that any land use or building involved are of ordinary performance standards.
- B. Conditionally Acceptable. Activities or Actions shall be undertaken only after a detailed analysis of the noise reduction (muffling) requirements is made and noise reduction insulation features are included as a preventive measure.
- C. Normally Unacceptable. Noise levels exceeding the following ranges shall generally be discouraged. If new activities or actions proceed, a detailed analysis of the noise reduction requirements must be made and necessary noise insulation features included in the design.
- D. Clearly Unacceptable. Activities shall not be undertaken or permitted.

Table 8.108.080 Performance Standards

Land Use Category and Similar Activities	Maximum Community Noise Exposure Levels	Ldn or CNEL, dBa
Residential	Normally Acceptable	<65
	Conditionally Acceptable	66 - 75
	Normally Unacceptable	76 - 90
	Clearly Unacceptable	91 or more
Residential (Evening)* 11:00p.m. – 7:00 a.m.	Normally Acceptable	<60
	Conditionally Acceptable	61 - 65
	Normally Unacceptable	66 - 75
	Clearly Unacceptable	76 or more
Retail, Office Buildings, Business Commercial and Professional, Hotel	Normally Acceptable	<75
	Conditionally Acceptable	76 - 80
	Normally Unacceptable	81- 90
	Clearly Unacceptable	91 or more
Industrial, Manufacturing Utilities, Agriculture	Normally Acceptable	<85
	Conditionally Acceptable	86 - 90
	Normally Unacceptable	91 or more
	Clearly Unacceptable	100 or more
Playgrounds, Neighborhood Parks	Normally Acceptable	<70
	Conditionally Acceptable	76 - 80
	Normally Unacceptable	81- 85
	Clearly Unacceptable	86 or more

“

“8.108.090 Mixed Use Development.

Where a new development proposal includes a mix of residential and nonresidential uses within the same project, the normally acceptable noise standard for the residential component of

the project may be increased by five decibels when the noise exceeds the standards established by the performance standards.”

“8.108.100 Infill Single-Family Residential Development.

Where a new development proposal includes an infill single-family residential use, the normally acceptable noise standard for the proposal may be increased by five decibels when the noise exceeds the standards established by the performance standards.”

“8.108.110 Noise Level Measurement Criteria.

- A. Any noise level measurement, made pursuant to the provisions of this chapter, shall be determined by using a sound level meter that meets the minimum requirements of the American National Standard Institute for sound level meters, or by using an equivalent instrument with associated recording and analyzing equipment that provides equivalent data.
- B. Noise readings shall be taken at the receptor's/generator's property line and the receptor's building setbacks to verify noise levels as categorized in Section 8.108.060 of this chapter.
- C. Irrespective of whether the noise originates within the City or outside the City, the standard that may be considered in determining whether excessive noise exists in violation of the provision of Section 8.108.020 may include, but not be limited to, the following:
 - 1. Whether the noise can be heard over 100 feet from the property line where the source of the noise is located;
 - 2. The level of the noise;
 - 3. Whether the nature of the noise is usual or unusual;
 - 4. Whether the origin of the noise is natural or unnatural;
 - 5. The level and intensity of the background noise, if any;
 - 6. The proximity of the noise to residential sleeping facilities;
 - 7. The nature and zoning of the area within which the noise emanates;
 - 8. The density of the inhabitation of the area within which the noise emanates or is heard in;
 - 9. The time of the day and night the noise occurs;
 - 10. The duration of the noise, including whether it is of a temporary or short-term nature;
 - 11. Whether the noise is recurrent, intermittent, or constant;
 - 12. Whether the noise is produced by a commercial or noncommercial activity;
 - 13. Whether the noise produces vibrations that are felt or heard; and

14. Whether the noise level exceeds any noise level as specified in Section 8.108.060.

- D. These factors shall be considered in addition to the noise levels set forth in Section 8.108.060 in determining a violation. Noises do not necessarily need to exceed those noise level limits to be considered unnecessary, or unusual so as to cause hearing loss, speech interference, sleep interference, physiological responses, or annoyance to persons in the area. This shall be determined by the city manager, or their designee on a case by case basis."

"8.108.120 Penalty for Violation.

Violations of this Chapter shall be enforced and be punishable as set forth in Chapter 1.16 (General penalties) of the Grand Terrace Municipal Code."

"8.108.130 Penalty for Public Nuisance

Any violation of this chapter is a public nuisance and may be abated in accordance with law pursuant to Chapter 8.04 of this code."

SECTION 9. Section 8.112.010 "Dates and Hours of Sale and Discharge" Of Chapter 8.112 – FIREWORKS of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"8.112.010 Dates and Hours of Sale and Discharge.

Safe and sane fireworks as defined by Section 12529 of the California Health and Safety Code may be sold within the City during the period of June 28th through July 4th, 12:00 noon to 9:00 p.m. by persons possessing an appropriate permit pursuant to Section 8.112.020. The selling of fireworks without a permit is prohibited. Safe and sane fireworks may be discharged solely on July 4th, between the hours of 12:00 noon to 10:00 p.m."

SECTION 10. Sections 9.05.010 "Definitions" and 9.05.020 "Selling Food or Merchandise – Operational Requirements in Chapter 9.05 – VENDING ON CITY SIDEWALKS of the Grand Terrace Municipal Code are hereby amended to read in their entirety as follows:

"9.05.010 Definitions.

As used in this Chapter:

- A. "Sidewalk vendor" means a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or from one's person, upon a public sidewalk or other pedestrian path.
- B. "Roaming sidewalk vendor" means a sidewalk vendor who moves from place to place and stops only to complete a transaction.
- C. "Stationary sidewalk vendor" means a sidewalk vendor who vends from a fixed location.
- D. "Sidewalk vendor security camera" means a surveillance camera installed on a sidewalk vendor's cart, table, persons, or other equipment, used to monitor their selling area and potentially deter crime or provide evidence in case of theft or harassment while they are working."

“9.05.020 Selling food or merchandise—Operational requirements.

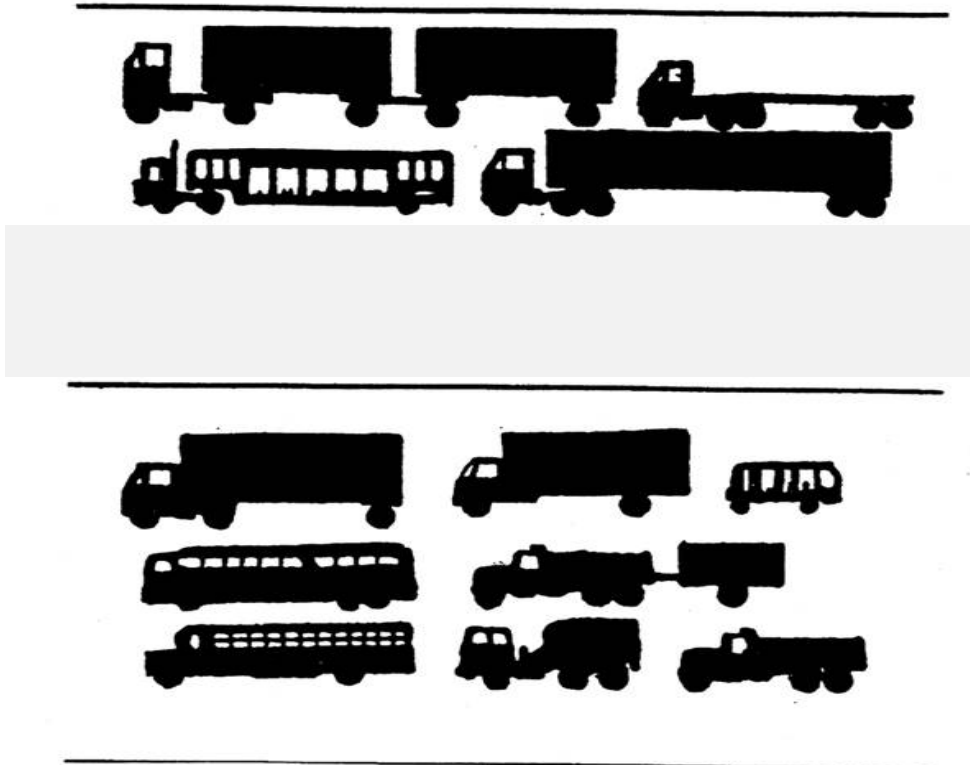
- A. No sidewalk vendor shall operate without a permit pursuant to Chapter 5.64, a valid business license pursuant to Chapter 5.04 of this Code, and if selling food, a valid health permit issued by the County of San Bernardino.
- B. All permits shall be displayed in a visible and conspicuous location at all times during the operation of the vending business.
- C. It shall be prohibited for any sidewalk vendor to operate under any of the following conditions:
 - 1. Vend in a residential zone between the hours of 6:00 p.m. or sunset, whichever is earlier, and 9:00 a.m. of the following day, Monday through Saturday, inclusive, and all day on Sundays and federal holidays, for the purpose of solicitation, unless such person has been requested or invited to do so by the owner or occupant of said premises;
 - 2. Leave any stand unattended;
 - 3. Store, park, or leave any stand overnight on any public street, sidewalk, or park;
 - 4. Sell food or beverages for immediate consumption unless there is a litter receptacle available for patrons' use;
 - 5. Leave any location without first disposing all trash or refuse remaining from sales conducted. Trash and refuse generated by the vending cart operations shall not be disposed of in public trash receptacles;
 - 6. Allow any items relating to the operation of the vending business to be placed anywhere other than in, on, or under the stand;
 - 7. Set up, maintain, or permit the use of any additional table, crate, carton, rack, or any other device to increase the selling or display capacity of his/her stand where such terms have not been described by his or her application;
 - 8. Solicit or conduct business with persons in motor vehicles;
 - 9. Sell anything other than that which he or she is licensed to vend;
 - 10. Sound or permit the sounding of any device that produces a loud and raucous noise, or use or operate any loud speaker, public address system, radio, sound amplifier, or similar device to attract the attention of the public;
 - 11. Operate within 50 feet of a fire hydrant or 25 feet of a transit stop;
 - 12. Operate within 15 feet of the outer edge of a driveway or vehicular entrance to public or private property in residential zones;
 - 13. Operate in a manner that does not maintain four feet of clear space on a public sidewalk;
 - 14. Operate on any street that does not have a public sidewalk;
 - 15. Operate a stationary vending cart in exclusively residential zones;

16. Operate a stationary sidewalk vending cart in any City park if the City or operator of the City park has signed an agreement for concessions that exclusively permits the sale of food or merchandise by a concessionaire;
 17. Operate within 50 feet of an abutting residential zone within a City park;
 18. Operate a sidewalk vending cart within a parking lot within a City park;
 19. Operate a sidewalk vending cart within 1,000 feet from any public or private school property, during school hours or one hour before or after school hours;
 20. Operate a sidewalk vending cart within 500 feet of a certified farmers' market, or swap meet during the operating hours of that certified farmers' market or swap meet. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the California Food and Agricultural Code and any regulations adopted pursuant to that Chapter. A "swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the California Business and Professions Code, and any regulations adopted pursuant to that article;
 21. Operate within the 500 feet of an area designated for a temporary special permit issued by the City, provided that any notice, business interruption mitigation, or other rights provided to affected businesses or property owners under the temporary special permit are also provided to sidewalk vendors. For purposes of this paragraph, a "temporary special permit" is a permit issued by the City for the temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit, special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, or outdoor concerts. A prohibition of sidewalk vendors pursuant to this paragraph shall only be effective for the limited duration of the temporary special permit;
 22. Operate in violation of any other generally applicable law; and
 23. Operate without a sidewalk vendor security camera installed on a sidewalk vendor's cart, table, persons, or other equipment. The vendor must be able to provide security camera video upon request by City Officials. The vendor shall maintain storage of at minimum one week of the most current security camera video.
- D. No advertising shall be permitted, except to identify the name of the food or merchandise sold or the name of the vendor and the posting of prices. Any such sign shall be a maximum of four square feet and not exceeding a height of five feet."

SECTION 11. Section 10.16.021 "Restriction of Commercial Vehicles in Front Yards, Paved Driveways and Side Yards of Residential Areas" of Chapter 10.16 – STORAGE OF VEHICLES – INTERSECTION OBSTRUCTION of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"The parking and/or storage of the following commercial vehicles in the front yards, front yard paved area, driveway, or side yards when these are visible from the street shall be prohibited in all residentially zoned areas (refer to graphic display):

EXAMPLES



* These trailers (nonmotorized vehicles) are already prohibited from being stored on residential front yards per Zoning Code Section 18.73.200.

- A. Large commercial trucks above seven feet in height, above twenty-two feet in length. Refer to graphic illustration from State Vehicle Code;
- B. Three or more axle trucks;
- C. Tow trucks;
- D. Concrete mixer trucks;
- E. Flatbed trucks;
- F. Tractor/cabs only;
- G. Tank vehicles (i.e., water, oil, liquids);
- H. Big rigs and their trailers;
- I. Farm-related vehicles;
- J. Delivery trucks/vans (i.e., ice cream, materials, goods and services); [3]
- K. White (or colored) panel or box trucks (i.e., goods, produce, bread etc.).*

Footnotes:

--- (3) ---

These two types are not considered commercial vehicles per the State Vehicle Code unless carrying hazardous materials. However, when used for commercial purposes, State DMV requires a commercial driver's license."

SECTION 13. Section 12.32.140 "Park Hours" of Chapter 12.32 – CONDUCT ON PUBLIC PROPERTY PARKS of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"12.32.140 Park hours.

As a general rule, parks shall be open to the public every day of the year between the hours of 7:00 a.m. and sunset. However, the City Manager may, in their reasonable discretion, extend or limit such hours for any park or portion of any park. No person shall enter, be or remain in any park during the time when such park is closed unless they have obtained a permit therefor from the City Manager or their designee. Park closing hours shall be posted at park entrances."

SECTION 14. Section 12.56.070 "Design and Development Standards" of Chapter 12.56 – WIRELESS TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHT-OF-WAY of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"12.56.070 Design and development standards.

- A. SWF design and development standards. SWFs are subject to those design and development standards and conditions of approval set forth in the SWF Regulations. The City's grant of a WTFP for a SWF does not waive, and shall not be construed to waive, any standing by the City to challenge any FCC orders or rules related to small cell facilities, or any modification to those FCC orders or rules.
- B. Eligible facilities request design and development standards. Approved eligible facilities requests for which the findings set forth in Section 12.56.060 have been made are subject to the following conditions, unless modified by the approving authority:
 - 1. WTFP subject to conditions of underlying permit. Any WTFP granted in response to an application qualifying as an eligible facilities request shall be subject to the terms and conditions of the underlying permit and all such conditions that were applicable to the facility prior to approval of the subject eligible facility request.
 - 2. No permit term extension. The City's grant or grant by operation of law of an eligible facilities request permit constitutes a federally-mandated modification to the underlying permit or approval for the subject tower or base station. Notwithstanding any permit duration established in another permit condition, the City's grant or grant by operation of law of a eligible facilities request permit will not extend the permit term for the underlying permit or any other underlying regulatory approval, and its term shall have the same term as the underlying permit or other regulatory approval for the subject tower or base station.
 - 3. No waiver of standing. The City's grant or grant by operation of law of an eligible facilities request does not waive, and shall not be construed to waive, any standing by the City to challenge Section 6409(a) of the Spectrum Act, any FCC rules that interpret Section 6409(a) of the Spectrum Act, or any modification to Section 6409(a) of the Spectrum Act.

C. Major WTFP design and development standards. All wireless telecommunications facilities subject to a Major WTFP that are located within the PROW shall be designed and maintained as to minimize visual, noise and other impacts on the surrounding community and shall be planned, designed, located, and erected in accordance with the following standards:

1. General guidelines.

- a. The applicant shall employ screening, undergrounding and camouflage design techniques in the design and placement of wireless telecommunications facilities in order to ensure that the facility is as visually screened as possible, to prevent the facility from dominating the surrounding area and to minimize significant view impacts from surrounding properties and public views, all in a manner that achieves compatibility with the community and in compliance with this Code.
- b. Screening shall be designed to be architecturally compatible with surrounding structures using appropriate techniques to camouflage, disguise, and/or blend into the environment, including landscaping, color, and other techniques to minimize the facility's visual impact as well as be compatible with the architectural character of the surrounding buildings or structures in terms of color, size, proportion, style, and quality.
- c. Wireless telecommunications facilities shall be located consistent with Section 12.56.080 (Location restrictions) unless an exception is granted.

2. Traffic safety. All facilities shall be designed and located in such a manner as to avoid adverse impacts on traffic safety.

3. Blending methods. All facilities shall have subdued colors and non-reflective materials that blend with the materials and colors of the surrounding area, infrastructure and structures.

4. Equipment. The applicant shall use the least visible equipment for the provision of wireless telecommunications services that is technically feasible. Antenna elements shall be flush mounted, to the extent feasible, with all cables and wires out of public view and, to the extent feasible, concealed inside the structure, pole, etc. All antenna mounts shall be designed so as not to preclude possible future collocation by the same or other operators or carriers. Unless otherwise provided in this Section, antennas shall be situated as close to the ground as technically feasible.

5. Support structures.

- a. Pole-mounted only. Only pole-mounted antennas (excepting wooden poles per Subparagraph 5.b. below) shall be permitted in the public right-of-way. Mountings to all other forms of support structure in the public right-of-way are prohibited unless an exception pursuant to Section 12.56.080 is granted.
- b. Utility poles. Wireless telecommunications facilities shall not be located on wooden poles unless an exception pursuant to Section 12.56.080 is granted. The maximum height of any antenna shall not exceed 48 inches above the height of any existing utility pole within 100 feet of the proposed facility an existing utility pole, nor shall any portion of the antenna or equipment mounted on a pole be less than 24 feet above any drivable road surface. All installations on utility poles shall fully comply with the

California Public Utilities Commission general orders, including, but not limited to, General Order 95, as may be revised or superseded.

- c. Light poles. The maximum height of any antenna shall not exceed four feet above the existing height of a light pole located within 100 feet of the proposed facility. Any portion of the antenna or equipment mounted on a pole shall be no less than 16½ feet above any drivable road surface.
- d. Replacement poles. If an applicant proposes to replace a pole that is an eligible support structure to accommodate the proposed facility, the replacement pole shall be designed to resemble the appearance and dimensions of existing poles near the proposed location, including size, height, color, materials and style to the maximum extent feasible.
- e. Equipment mounted on a support structure shall not exceed four cubic feet in dimension.
- f. No new guy wires shall be allowed unless required by other laws or regulations.
- g. An exception pursuant to Section 12.56.080 shall be required to erect any new support structure (non-eligible support structure) that is not the replacement of an existing eligible support structure.
- h. As applicable to all new support structures (non-eligible support structures), regardless of location, the following requirements shall apply:
 - (i) Such new support structure shall be designed to resemble existing support structures of the same type in the right-of-way near that location, including size, height, color, materials and style, with the exception of any existing structural designs that are scheduled to be removed and not replaced.
 - (ii) Such new support structures that are not replacement structures shall be located at least 90 feet from any eligible support structure to the extent feasible.
 - (iii) Such new support structures shall not adversely impact scenic views from other structures and/or public areas and shall be located to the extent feasible in an area where there is existing natural or other feature that obscures the view of the new support structure. The applicant shall further employ concealment techniques to blend the new support structure with said features including but not limited to the addition of vegetation if feasible.
 - (iv) A justification analysis shall be submitted for all new support structures that are not replacements to demonstrate why an eligible support facility cannot be utilized and demonstrating the new structure is the least intrusive means possible, including a demonstration that the new structure is designed to be the minimum functional height and width required to support the proposed wireless telecommunications facility.
- i. All cables, including, but not limited to, electrical and utility cables, shall be run within the interior of the support structure and shall be camouflaged or hidden to the fullest extent feasible. For all support structures wherein interior installation is

infeasible, conduit and cables attached to the exterior shall be mounted flush thereto and painted to match the structure.

6. Space. Each facility shall be designed to occupy the least amount of space in the right-of-way that is technically feasible.
7. Wind loads. Each facility shall be properly engineered to withstand wind loads as required by this Code or any duly adopted or incorporated code. An evaluation of high wind load capacity shall include the impact of modification of an existing facility.
8. Obstructions. Each component part of a facility shall be located so as not to cause any physical or visual obstruction to pedestrian or vehicular traffic, incommode the public's use of the right-of-way, or cause safety hazards to pedestrians and motorists.
9. Public facilities. A facility shall not be located within any portion of the public right-of-way interfering with access to a fire hydrant, fire station, fire escape, water valve, underground vault, valve housing structure, or any other public health or safety facility.
10. Screening. All ground-mounted facility, pole-mounted equipment, or walls, fences, landscaping or other screening methods shall be installed at least 18 inches from the curb and gutter flow line.
11. Accessory equipment. Not including the electric meter, all accessory equipment shall be located underground, except as provided below:
 - a. Unless City staff determines that there is no room in the public right-of-way for undergrounding, or that undergrounding is not feasible, an exception pursuant to Section 12.56.080 shall be required in order to place accessory equipment above-ground and concealed with natural or manmade features to the maximum extent possible.
 - b. When above-ground is the only feasible location for a particular type of accessory equipment and will be ground-mounted, such accessory equipment shall be enclosed within a structure, and shall not exceed a height of five feet and a total footprint of ten square feet, and shall be fully screened and/or camouflaged, including the use of landscaping, architectural treatment, or acceptable alternate screening. Required electrical meter cabinets shall be located within the structure. Also, while pole-mounted equipment is generally the least favored installation, should pole-mounted equipment be sought, it shall be installed as required in this Chapter.
 - c. Structures shall maintain clear sight triangles at all intersections.
 - d. In locations where homes are only along one side of a street, above-ground accessory equipment shall not be installed directly in front of a residence. Such above-ground accessory equipment shall be installed along the side of the street with no homes.
12. Landscaping. Where appropriate, each facility shall be installed so as to maintain and enhance existing landscaping on the site, including trees, foliage and shrubs. Additional landscaping shall be planted, irrigated and maintained by applicant where such landscaping is deemed necessary by the City to provide screening or to conceal the facility.

13. Signage. No facility shall bear any signs or advertising devices other than certification, warning or other signage required by law or permitted by the City.

14. Lighting.

- a. No facility may be illuminated unless specifically required by the Federal Aviation Administration or other government agency. Beacon lights are not permitted unless required by the Federal Aviation Administration or other government agency.
- b. Legally required lightning arresters and beacons shall be included when calculating the height of facilities such as towers and monopoles.
- c. Any required lighting shall be shielded to eliminate, to the maximum extent possible, impacts on the surrounding neighborhoods.
- d. Unless otherwise required under FAA or FCC regulations, applicants may install only timed or motion-sensitive light controllers and lights and must install such lights so as to avoid illumination impacts to adjacent properties to the maximum extent feasible. The City may, in its discretion, exempt an applicant from the foregoing requirement when the applicant demonstrates a substantial public safety need.
- e. The applicant shall submit a lighting study which shall be prepared by a qualified lighting professional to evaluate potential impacts to adjacent properties. Should no lighting be proposed, no lighting study shall be required.

15. Noise.

- a. Backup generators shall operate during periods of power outages and during testing and maintenance procedures. Backup generators shall not be operated for testing and maintenance on weekends, holidays, or weekdays between the hours of 8:00 a.m. and sunset. The City Engineer may, in their reasonable discretion, extend or limit such hours for testing and maintenance of backup generators in the public right-of-way.
- b. At no time shall equipment noise from any facility exceed the noise levels permitted by Chapter 8.28 of this Code.

16. Security. Each facility shall be designed to be resistant to, and minimize opportunities for, unauthorized access, climbing, vandalism, graffiti and other conditions that would result in hazardous situations, visual blight or attractive nuisances. The Public Works Director or the approving City body, as applicable, may require the provision of warning signs, fencing, anti-climbing devices, or other techniques to prevent unauthorized access and vandalism when, because of their location and/or accessibility, a facility has the potential to become an attractive nuisance. Additionally, no lethal devices or elements shall be installed as a security device.

17. Modification. Consistent with current State and Federal laws and if permissible under the same, at the time of modification of a wireless telecommunications facility, existing equipment shall, to the extent feasible, be replaced with equipment

that reduces visual, noise and other impacts, including, but not limited to, undergrounding the equipment and replacing larger, more visually intrusive facilities with smaller, less visually intrusive facilities.

18. The installation and construction approved by a wireless telecommunications facility permit shall begin within one year after its approval or it will expire without further action by the City.
19. Conditions of approval. All Major WTFPs shall be subject to such conditions of approval as reasonably imposed by the Public Works Director or the approving City body, as applicable, as well as any modification of the conditions of approval deemed necessary by the Public Works Director or the approving City body."

SECTION 15. Section 15.56.130 "Irrigation Scheduling" of Chapter 15.56 – WATER EFFICIENT LANDSCAPE of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"15.56.130 Irrigation Scheduling.

- A. For the efficient use of water, all irrigation schedules shall be developed, managed, and evaluated to utilize the minimum amount of water required to maintain plant health. Irrigation schedules shall meet the following criteria:
 1. Irrigation scheduling shall be regulated by automatic irrigation controllers.
 2. Overhead irrigation for residential and commercial land shall be regularly scheduled between 8:00 p.m. and 10:00 a.m. unless weather conditions prevent it. If allowable hours of irrigation differ from the local water purveyor, the stricter of the two shall apply. Operation of the irrigation system outside the normal watering window is allowed for auditing and system maintenance. Overhead irrigation of agricultural property in an Agricultural Overlay requires a Conditional Use Permit to establish scheduled hours. An overhead irrigation system means irrigation systems that deliver water through the air by applying irrigation water which is comparable to rainfall. Water is spread through a system of pipes generally by pumping, or pressurized municipal water supplies. It is then sprinkled into the air and covering an entire soil surface through spray heads so that it breaks up into small water drops which fall to the ground.
 3. For implementation of the irrigation schedule, particular attention must be paid to irrigation run times, emission device, flow rate, and current reference evapotranspiration, so that applied water meets the estimated total water use. Total annual applied water shall be less than or equal to maximum applied water allowance (MAWA). Actual irrigation schedules shall be regulated by automatic irrigation controllers using current reference evapotranspiration data (e.g., CIMIS) or soil moisture sensor data.
 4. Parameters used to set the automatic controller shall be developed and submitted for each of the following:
 - a. The plant establishment period;

- b. The established landscape; and
 - c. Temporarily irrigated areas.
- B. Each irrigation schedule shall consider for each station all of the following that apply:
 - 1. Irrigation interval (days between irrigation);
 - 2. Irrigation run times (hours or minutes per irrigation event to avoid runoff);
 - 3. Number of cycle starts required for each irrigation event to avoid runoff;
 - 4. Amount of applied water scheduled to be applied on a monthly basis;
 - 5. Application rate setting;
 - 6. Root depth setting;
 - 7. Plant type setting;
 - 8. Soil type;
 - 9. Slope factor setting;
 - 10. Shade factor setting; and
 - 11. Irrigation uniformity or efficiency setting.”

SECTION 16. Section 18.10.040 “Site Development Standards” of Chapter 18.10 – RESIDENTIAL DISTRICTS of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

“18.10.040 Site Development Standards.

The site development standards established for each residential district are as shown in Table 18.10.040.

TABLE 18.10.040
SITE DEVELOPMENT STANDARDS

Development Issue	RH	R1-20	R1-10	R1-7.2	R2	R3	R3-S	R3-20	R3-24
Area (Minimum square feet)	^a	20,000	10,000	7,200	10,000	12,000 ^g		12,000	12,000
Width (Minimum linear feet)									
* Interior Lot	^a	100	60	60	60	60	^g	60	60
* Corner Lot	^a	100	70	70	70	70		70	70
Lot Depth (Minimum linear feet)	^a	150	100	100	100	100	^g	100	100
Street Frontage (Minimum linear feet)	^a	50	40	40	40	40	^g	40	40
Setbacks (Minimum linear feet)									
•Front Yard	^a	25 ^b	25 ^b	25 ^b	25 ^b	25 ^b		25 ^b	25 ^b

•Rear Yard	^a	35 ^b	35 ^b	20 ^b	20 ^b	20 ^b		20 ^b	20 ^b
•Side Yard									
- Interior Lot							^g		
With Garage	^a	10 ^b	10 ^b	10 ^b	10 ^b	10 ^b		10 ^b	10 ^b
Without Garage	^a	5 ^b	5 ^b	5 ^b	5 ^b	10 ^b		10 ^b	10 ^b
- Corner Lot									
Street side	^a	15 ^b	15 ^b	15 ^b	15 ^b	15 ^b		15 ^b	15 ^b
No Street side	^a	5	5	5	5	10		10	10
Density (Allowable dwelling units per acre)	^a	1-2	1-4	1-5	1-9	1-12 ^c	Max. 20	13-20 ^c	20-24 ^c
Living Area (Minimum square feet)									
* Single Family	^a	1,350 ^d	1,350 ^d	1,350 ^d	1,350 ^d	1,350 ^d			
* Duplex, Triplex, Four-plex and Multiple Family									
- One (1) Bedroom	-	-	-	-	675 ^d	675 ^d			
- Two (2) Bedroom	-	-	-	-					
Three (3) Bedroom					850 ^d	850 ^d			
For each additional bedroom					1,025 ^d	1,025 ^d			
Height (Maximum linear feet)	^a	35 ^e	35 ^e	35 ^e	35 ^e	35 ^e	^g	35 ^e	35 ^e
Lot Coverage (Maximum percent)	^a	40	50	50	60 ^f	60	^g	60	60
Distance Between Buildings (Minimum linear feet)	^a	5	5	5	20	20	^g	20	20

Footnotes:

- a. A specific plan shall be required for all proposed projects (including tentative parcel or tract maps) which include any property located within this district, except that a specific plan shall not be required for existing parcels that are one acre or less in size, are readily served by existing infrastructure, have public access, and fire services can be readily provided. Such specific plan shall establish site development standards on a project by project basis in consideration of the existing topography and other physical constraints. The specific plan shall not create a density greater than one dwelling unit per gross acre and shall be consistent with the city's general plan. The specific plan may consider a clustered development concept in order to preserve large areas of open space and minimize the project's impact on the physical environment.
- b. The following exceptions apply to front, rear and side yard requirements as noted:
 1. The minimum side and rear yard setback for a patio cover shall be five feet.
 2. The minimum rear yard setback for an accessory structure shall be ten feet.
 3. Slopes exceeding five percent shall be permitted no closer to a residential structure than a distance equal to the required side and rear yard setbacks. In the R1-10 district and the R1-20 district, the thirty-five foot rear yard setback may include ten feet of slope that is greater than five percent.
 4. In the case of a parcel or tract map, the twenty-five foot front yard setback requirement may range from twenty-two feet to twenty-eight feet, with an average of twenty-five feet for all proposed lots.
 5. In the case where an existing legal nonconforming structure is located within a required setback area, the legal nonconforming structure may be enlarged within the required setback area subject to the following conditions:
 - a. The proposed addition does not further reduce the depth of the existing setback area; and
 - b. The proposed addition is located no closer than five feet from any property line.

- c. A density bonus shall be permitted in accordance with the California Government Code and this Title.
- d. For the purposes of this chapter, the following term shall be defined as follows:
"Living area" means the enclosed area of a residential dwelling unit, excluding porches, patios, carports, garages, storage areas or auxiliary rooms.
- e. Accessory structures shall not exceed twenty feet in height, with exceptions as listed in Section 18.73.090 of this title.
- f. Not more than the permitted percent of the total parcel may be devoted to main and accessory structures, parking areas, driveways and covered patios. The remaining percent of the total parcel shall be devoted to open areas such as landscaping, lawn, outdoor recreational facilities, incidental to residential development, including swimming pools, tennis courts, putting greens, uncovered patios and walkways. Said open areas shall consist of not less than two hundred square feet of open space per dwelling unit.
- g. Senior citizen housing's development standards will be established through the specific plan process. All senior citizens housing projects in the R3-S zone will require specific plan process; however, in no circumstance shall the density exceed twenty unit/acre."

SECTION 17. Section 18.53.020 "Table 15.53.020 Agricultural Overlay Standards" of Chapter 18.53 – AG AGRICULTURAL OVERLAY DISTRICT of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"Table 18.53.020: Agricultural Overlay Standards

<u>"TABLE 18.53.020 Agricultural Overlay Standards</u>			
<u>Type of Animal or Use</u>	<u>Minimum Site Area per Animal or Use (square feet)</u>	<u>Maximum Number of Animals</u>	<u>Permitted Use (P) or Conditionally Permitted Use (C)</u>
Each horse, mule, donkey or pony ^a	10,000	6	P
Each large animal other than a horse, mule, donkey or pony ^a	20,000	3	C
Each small animal; ^{sup}	4,000	12 ^c	P
Each 5 birds or rodents	4,000	25	P
Exotic or wild animals	20,000	3	C
Horticultural crops or tree farming	20,000	NA	P
Overhead irrigation schedule for orchards, groves, nurseries, field crops, tree crops, berry crops, bush crops, truck gardening and commercial flower growing.	NA	NA	C

Footnotes:

- a. A pony, defined as any horse measuring 14 hands and two inches or less in height at the withers, may be kept in addition to the keeping of two horses on a 20,000 square foot parcel.
- b. A "small animal" shall be defined as an animal weighing less than 250 pounds.
- c. No more than one male goat shall be permitted."

SECTION 18. Section 18.56.030 "Conditionally Permitted Uses" of Chapter 18.56 – AG-2 AGRICULTURAL 2 OVERLAY DISTRICT of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

"18.56.030 Conditionally Permitted Uses.

Uses permitted in the AG-2 overlay district with a conditional use permit are as follows:

- A. Animal keeping and boarding. All animals, excepting household pets, shall be kept at a minimum distance of 70 feet from any structure or area used for human habitation or public assembly (e.g. parks, churches, etc.) on adjoining property. The area of human habitation shall not include cabanas, patios, attached or detached private garages or storage buildings. The combined total number of animals kept on any one site shall not exceed the maximum number and combination of animals allowable as identified in Table 18.56.030.
- B. Apiaries, provided that no hives or boxes housing bees are kept closer than 200 feet from any dwelling other than that occupied by the property owner.
- C. Orchards, groves, nurseries, field crops, tree crops, berry crops, bush crops, truck gardening and commercial flower growing, including the drying, packing, canning, freezing, or other acceptable methods of processing of fruits, nuts, vegetables and other horticultural products where such processing is primarily in conjunction with a farming operation and the structures used for such processing are located at least 20 feet from the property line.
- D. Sale of fruit, vegetables, produce and flowers and other similar products grown on the property; provided, however, that roadside stands used for such sales shall not exceed 250 square feet.
- E. Riding stables and academies; provided that the minimum lot size for such uses shall be not less than five acres, and that all buildings for the housing, feeding, or rental of such animals shall be at least 100 feet from any property line, and 500 feet from any residential zone, church, school, park or hospital.
- F. Sheep grazing only for the purpose of clearing unharvested crops or stubble, with no limit on the number of animals, for a period not exceeding 30 days in any six-month period. Special application for such temporary grazing shall be made in writing, and approved by the Planning Director prior to commencement.
- G. Single-family residences, provided that such use is ancillary to a commercial agricultural use, and that residential uses and structures, including accessory residential uses and structures, do not occupy more than 25 percent of the site area.

- H. Accessory structures and uses. Private garages used by persons residing on the premises, cabanas, laundry rooms, workshops, stables, barns, tack rooms, pens, corrals, and similar animal keeping/agricultural structures, provided these structures shall not be used as a habitable dwelling or space, as defined by the adopted Uniform Building Code. Approval shall be through a minor conditional use permit review.
- I. Other uses which are determined by the City Council to be similar in nature to a use listed in this Section.
- J. Overhead irrigation schedule for orchards, groves, nurseries, field crops, tree crops, berry crops, bush crops, truck gardening and commercial flower growing.”

SECTION 19. Section 18.64.040 “Sustainable Design” of Chapter 18.64 – OBJECTIVE DESIGN STANDARDS of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

“18.64.040 Sustainable Design.

- A. LEED Certification Requirement. For the purposes of this Chapter, all multifamily residential buildings and sites and mixed-use buildings and sites with a residential use with more than ten (10) dwelling units shall demonstrate that the application qualifies for the most current version of "LEED Certification," as one of the four different levels of LEED certification – Platinum, Gold, Silver, and Certified, or an equivalent standard as defined by the Leadership in Energy and Environmental Design (LEED) of the United States Green Building Council (GBCI). Plans and/or supplemental specifications shall be provided at the time an application is submitted for preliminary or formal review as required by City application forms/checklists as established by the Director.
- B. DOE ZERH Certification Requirement. For the purposes of this Chapter, all multifamily residential buildings and sites and mixed-use buildings and sites with a residential use of ten (10) dwelling units or less shall demonstrate that the application qualifies for the most current version of the Department of Energy (DOE) Zero Energy Ready Home Program (ZERH) Requirement. All Zero Energy Ready dwelling units must be certified by a third-party verifier per the DOE-Recognized ZERH Certification Organizations.
- C. Water Efficient Landscape Requirement. For the purposes of this Chapter, all multifamily residential development and mixed-use development with a residential use shall demonstrate that the application is in compliance with all applicable requirements by the Riverside Highland Water Company and compliance with the City's Water Efficient Landscape regulations in Chapter 15.56. The landscaping application shall demonstrate conformance with the latest Model Water Efficient Landscape Ordinance (MWELO) guidelines by the California Department of Water Resources. Plans and/or supplemental specifications shall be provided at the time an application is submitted for preliminary or formal review as required by City application forms/ checklists established by the Director.”

SECTION 20. Sections 18.80.050 “Signs on Public Property” and 18.80.130 “General Provisions” of Chapter 18.80 – SIGNS of the Grand Terrace Municipal Code are hereby amended to read in their entirety as follows:

“18.80.050 Signs on public property.

- A. General Prohibition. Except as provided for in this Section, no signs may be displayed on City property by private parties. Any sign posted on City property in violation of this Section may be summarily removed by the City.
- B. The following signs are exempt from the provisions of this sign code:
 - 1. Traffic control and traffic directional signs erected by the City or another governmental unit.
 - 2. Official notices required or authorized by law.
 - 3. Signs placed by any governmental agency, utility or special district, in furtherance of these entities' official functions.
- C. Human Advertisements. All human advertisement is prohibited on public property in the City.
- D. Exception: Temporary Off-Site Commercial Signs.
 - 1. The following temporary signs may be placed in the public right-of-way, subject to a sign permit: Signs for any business that provides goods or services that meet one or more of the following criteria: (1) the business is of a transitory or temporary nature; (2) the business does not have a fixed place of business or the goods or services themselves cannot practically be viewed and/or sold out of one business location or any business location.
 - 2. Before a business may place its signs in the public right-of-way pursuant to this Section, the director must make a finding, in accordance with the procedures in Subsection 18.8.050.E, that a particular type of business satisfies the criteria in Subsection 18.80.050.D.
 - 3. Without a prior finding by the Director, temporary signs for the following goods and services are deemed to satisfy the criteria for the exception in Subsection D.1, above:
 - a. Real estate directional signs, directing to properties that are for sale or for rent within the City limits.
 - b. Yard sale directional signs, including garage sales and estate sales, directing where such sales are to occur.
 - 4. Temporary signs in the public right-of-way are subject to all of the following limitations:
 - a. Signs shall be temporary signs, and will not be permanently affixed to or in the public right-of-way, but may be anchored or weighed down to or in the public right-of-way to prevent them from falling or being blown into the street or sidewalk.

- b. Temporary signs displayed under this Section shall only be placed in landscaped parkways, and shall not be placed on the sidewalk or in the center street median.
- c. No signs shall be placed on utility poles, light or traffic light poles, traffic signs or traffic sign poles, street trees or fences.
- d. No more than 25 signs per licensed entity may be temporarily placed in the public right-of-way at any one time.
- e. The sign area shall be no larger four square feet.
- f. All signs shall not exceed three feet in height, measured from the highest street grade in contact with the sign to the top of the sign.
- g. No signs shall be placed so as to obstruct pedestrians' and motorists' view of signs erected by a local, State, or Federal governmental agency, including but not limited to traffic signs, public directional signs, parking signs, and street address signs.
- h. No signs shall be placed so as to obstruct or hinder sidewalk or street access by pedestrians and vehicles.
- i. No signs shall be placed so as to obstruct ingress and egress to any public or private property.
- j. Temporary signs displayed under this Section shall only be placed on the public right-of-way Thursday through Sunday during the hours of 7:00 a.m. to 11:00 p.m.
- k. Temporary signs in the public right-of-way shall not be illuminated, either internally or externally, shall not have flashing lights, shall not have any moving parts or be caused to be moved, and shall not generate any source sounds (including radio waves), and shall not release steam or smoke.
- l. Any other reasonable restrictions, or modifications to the above restrictions, which the Director finds are necessary to further the purposes of this Code, consistent with the type of sign or business.

E. Exception and Appeal.

- 1. The Director must make the determination of whether a business falls within the exception in Subsection 18.80.050.D within five business days of receipt of a written request by the sign's owner for such determination. The Director shall notify the applicant of his or her decision forthwith by U.S. Mail.
- 2. In the event that the Director denies the request, or fails to make a determination within the time prescribed, the applicant may appeal the Director's decision in writing to the City Manager, who shall review all relevant evidence relating to the appeal. The City Manager shall make a determination within five business days of

receipt of the appeal. The City Manager shall notify the applicant of the determination forthwith by U.S. Mail.

3. In the event that the City Manager denies the request, or fails to make a determination within the time prescribed, the applicant may appeal the City Manager's decision in accordance with Section 18.80.090, Appeals."

"18.80.130 General Provisions.

This Section describes the provisions applicable to all signs regulated by this Chapter.

Certain types of signs may also be subject to additional provisions.

- A. **Sign Area Measurement Procedures.** Sign area shall be computed by including the entire area within a single, continuous, rectilinear perimeter of not more than eight straight lines, or a circle or an ellipse, enclosing the extreme limits of the writing, representation, emblem, or other display, together with any material or color forming an integral part of the background of the display or used to differentiate the sign from the backdrop or structure against which it is placed, but not including any supporting framework or bracing that is clearly incidental to the display itself. Backing plates shall count as part of the sign area unless they are transparent. In the case of two-sided, multi-sided, or three-dimensional signs, the area shall be computed as including the maximum single display surface which is visible from any ground position at one time.



- B. **Sign Height Measurement.** Sign height shall be measured as the greatest vertical distance measured from the grade at the point the sign supports intersect the ground and any accompanying architectural features of the sign. However, if the sign is constructed upon an artificial berm, the height of the signs, as measured from the toe of slope or berm, shall not exceed 125 percent of the maximum height allowed by this Chapter.



- C. **Calculation.**

1. For wall signs, the permitted area for any sign shall be calculated based only on the frontage or side of a building on which the sign is located.
 2. When more than one business is located in a building, the allowable sign area for each business shall be based upon the length of the lineal building frontage occupied by that business.
- E. Construction Requirements. Every sign and all parts, portions, and materials thereof shall be manufactured, assembled, and erected in compliance with all applicable State, Federal, and City laws and regulations, including the locally adopted building code. All signs shall comply with the following criteria:
1. All transformers, equipment, programmers, and other related items shall be screened and/or painted to match the building or shall be concealed within the sign.
 2. All permanent signs shall be constructed of quality, low-maintenance materials such as metal, concrete, natural stone, glass, and acrylics. Techniques shall be incorporated during construction to reduce fading and damage caused by exposure to sunlight or degradation due to other elements. The application of graffiti resistant coating is recommended.
 3. All freestanding signs that incorporate lighting shall have underground utility service.
 4. All temporary signs and banners shall be made of a material designed to maintain an attractive appearance for as long as the sign is displayed.
- E. Clearance from Public Utility Facilities. The person erecting a sign, and the owner of the premises, shall maintain any legally required clearance from communications and electric facilities. A sign may not be constructed, erected, installed, maintained, or repaired in any manner that conflicts with any rule, regulation, or order of the California Public Utilities Commission pertaining to the construction, operation, and maintenance of public utilities facilities.
- F. Interference with Motorist Field of Vision.
1. No sign shall be located in a manner which may obstruct or interfere with the view of a traffic signal or other traffic regulatory signs.
 2. No sign shall, as determined by the City Engineer, be located so as to create a hazard to the life or property of any person using the public right-of-way.
 3. Any required landscaping may be trimmed as needed to provide maximum visibility of the sign or signs.
 4. Signs shall not be located within the clear sight triangle.
- G. Obstruction of Passage.

1. No sign shall be constructed so as to obstruct any required exit, including windows, doors, fire escapes or other emergency exit of any building.
2. No sign shall be constructed or located so as to obstruct any sidewalk.

H. Sign Siting.

1. Location of Signs Attached to Buildings. Building signs may be located along any frontage of a building that faces directly onto a public right-of-way or an internal parking area of the site. Where the building is within 100 feet of a residential use, any signage facing that residential use shall not be illuminated.
2. Setback and Spacing of Freestanding Signs.
 - a. Where a setback exists, the minimum setback distance for freestanding signs shall be measured from the back of the public right-of-way or side of a driveway.
 - b. The minimum spacing distance between permanent freestanding signs, excluding on-site directory signs, shall be 50 feet. The director will review a proposed sign location on a case-by-case basis to ensure the sign is located outside the required clear sight triangle and does not otherwise inhibit motorist safety.

- I. Maintenance Requirements. Every sign, and all parts, portions, and materials thereof shall be maintained and kept in proper repair. The display surface of all signs shall be kept clean, neatly painted, and free from rust and corrosion. Any cracked, broken surfaces, malfunctioning lights, missing sign copy, or other poorly maintained or damaged portions of a sign shall be repaired or replaced within 30 days following notification by the City.

- J. Sign Removal or Replacement. When a sign is removed or replaced, all brackets, poles, and other structural elements that support the sign shall also be removed. Affected building surfaces shall be restored to match the adjacent portion of the structure. This requirement does not apply to routine maintenance.

- K. Electronic Signs. The City finds and declares that a proliferation of electronic display signs throughout the City, and especially located on arterial streets pose a danger to the motoring public because of potential distraction from their change of message, scale, format, and other physical qualities that differentiate them from other sign types. Therefore, the City through this sign code limits electronic signs to be displayed only in specified areas of freeway corridors, where the impacts on driver safety are minimized. All electronic display signs existing in the City as of the effective date of this Chapter, unless specifically permitted by this Code, are declared legal nonconforming signs and may continue to operate in accordance with Section 18.80.220 (Nonconforming and abandoned signs).

1. The limitation established by this Section shall not apply to manually changeable copy signs or freeway signs.
2. Signs providing information on fuel price and grade and fueling stations, as well as signs displaying time and temperature information shall be exempt from this

limitation on electronic display signs. Illumination levels shall conform to Subsection 18.80.140.A.3 of this Chapter.”

SECTION 21. Section 18.82.010 “Residential Care Facilities” of Chapter 18.82.010 – STANDARDS FOR SPECIFIED LAND USES of the Grand Terrace Municipal Code is hereby amended to read in its entirety as follows:

“18.82.010 - Residential Care Facilities.

- A. Purpose. This Section provides standards for the establishment and operation of residential care facilities.
- B. Applicability. The standards in this Chapter apply to residential, group or community care facilities where allowed in compliance with Chapter 18.10 (Residential Zones).
- C. Development and Operational Standards.
 - 1. Residential Care Facilities Serving Six or Fewer Persons. Each residential care facility shall conform to the property development standards for the land use zoning district in which it is located.
 - 2. Residential Care Facilities Serving Seven or More Persons.
 - a. Applicable Land Use Zoning District Development Standards. Each residential care facility shall conform to the property development standards for the land use zoning district in which it is located.
 - b. Additional Application Filing Requirements. The following information shall accompany the conditional use permit application for a residential care facility:
 - i. Client profile (the subgroup of the population of the facility is intended to serve such as single men, families, elderly, minor children, developmentally disabled, etc.);
 - ii. Maximum number of occupants and hours of facility operation;
 - iii. Term of client stay;
 - iv. Support services to be provided on-site and projected staffing levels; and
 - v. Rules of conduct and/or management plan.
 - c. Separation. Residential care facilities shall not be located within 300 feet of another similar facility, except that the separation requirement shall be increased to 1,000 feet, as measured from the nearest outside building walls where the other use is a parolee/probationer or sober living home.
 - d. Walls. Residential care facilities shall provide a six-foot high solid decorative block wall along all property lines, except in the front yard. Walls

shall provide for safety with controlled points of entry and shall incorporate decorative materials and features.

- e. Landscaping. On-site landscaping shall be regularly maintained, including providing irrigation.
- f. Outdoor Lighting. Outdoor lighting shall comply with Chapter 18.60 (Off-Street Parking).
- g. Parking. All garage and driveway spaces associated the facility shall, at all times, be available for the parking of vehicles. The precise number of parking spaces required will be determined by the operating characteristics of the specific proposal.
- h. Signs. No commercial identification signs shall be allowed within a residential land use zoning district.
- i. Sleeping Areas. No room commonly used for other purposes shall be used as a sleeping room for any resident, visitor, or staff person. This includes any hall, stairway, unfinished attic, garage, storage area, shed or similar detached building.
- j. Fire Department Requirements. Each residential care facility shall provide fire extinguishers and smoke detector devices and shall meet all standards established by the Fire Chief.
- k. Noise. Outdoor activities shall be conducted only between the hours of 7:00 a.m. and sunset.
- l. Applicable Health and Safety Regulations. Residential care facilities shall be operated in compliance with applicable State and local health and safety regulations.
- m. Required Permits and Licenses. Residential care facilities shall be in conformance with the California Building Code. A certificate of occupancy shall be obtained from the Building and Safety Division before occupancy of residential care facilities.”

SECTION 22. Based upon the forgoing and all oral and written communications from members of the public and City staff (including, but not limited to, all oral and written staff reports and attachments) presented at the November 21, 2024, and February 27, 2025, Planning Commission Public Hearings; and, the March 25, 2025, April 8, 2025, and May 13, 2025, City Council Public Hearings, the City Council hereby adopts Ordinance No. 366 approving Zoning Code Amendment (ZCA) 24-04, and adopts and finds an environmental exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

SECTION 23. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase contained approved by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council of Grand Terrace hereby declares that it would have passed each

section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 24. First read at a regular meeting of the City Council held on the 8th day of April 2025 and adopted the Ordinance after the second reading at a regular meeting held on the 13th day of May 2025.

SECTION 25. City staff is hereby authorized and directed to file a Notice of Exemption (NOE) with respect to the adoption of this Ordinance.

SECTION 26. The Mayor shall sign, and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect thirty (30) days after its final passage.

Signatures on the following pages.

APPROVED AND ADOPTED by the City Council of the City of Grand Terrace, California,
at a regular meeting held on the 13th day of May 2025.

Mayor Bill Hussey

ATTEST:

Daysi Alcocer
City Clerk

APPROVED AS TO FORM:

Adrian R. Guerra
City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS.
CITY OF GRAND TERRACE)

I Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance was duly passed, approved and adopted by the City Council at a regular meeting of said City Council held on the 13th day of May 2025, and that and that it was adopted by the called vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer
City Clerk



ATTACHMENT 2

CITY OF GRAND TERRACE NOTICE OF EXEMPTION

TO: Clerk of the Board of Supervisors
County of San Bernardino
385 N. Arrowhead Avenue, 2nd Floor
San Bernardino, CA 92415-0130

FROM: Planning and Development
Services Department
City of Grand Terrace
22795 Barton Road
Grand Terrace, CA 92313

Project Title: An Ordinance of the City Council of Grand Terrace, California, approving Zone Change Amendment (ZCA) 24-04, an Ordinance Amending the Grand Terrace Municipal Code Chapter 5.06 (Home Occupation Permits); Chapter 5.40 (Garage Sales); Chapter 5.42 (Integrated Waste Management); Chapter 5.48 (Massage Parlors and Massage Technicians); Chapter 8.108 (Noise); Chapter 8.112 (Fireworks); Chapter 9.05 (Vending on City Sidewalks); Chapter 10.16 (Storage of Vehicles – Intersection Obstruction); Chapter 12.32 (Conduct on Public Property – Parks); Chapter 12.56 (Wireless Telecommunications Facilities in the Public Right-Of-Way); Chapter 15.56 (Water Efficient Landscape); Chapter 18.10 (Residential Districts); Chapter 18.53 (AG Agricultural Overlay District); Chapter 18.56 (AG-2 Agricultural 2 Overlay District); Chapter 18.64 (Objective Design Standards); Chapter 18.80 (Signs); and Chapter 18.82 (Standards for Specified Land Uses and Activities) to streamline and ensure internal consistency.

Project Location – Specific: Citywide

Description of Project: Zone Change Amendment (ZCA) 24-04 to address noise standards and miscellaneous inconsistencies within the Municipal Code such as Home Occupation Permits and multiple family residential unit sizes.

Name of Public Agency Approving Project: Grand Terrace City Council

Name of Person or Agency Carrying out Project: City of Grand Terrace Planning Department

Exempt Status: Environmental Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

Reasons Why Project is Exempt: It can be seen with certainty that the proposed Zone Change Amendment (ZCA) 24-04 solely proposes to clean up the Municipal Code so it can be more effectively and efficiently applied, has no foreseeable potential to have a significant adverse effect on the environment. The City of Grand Terrace has determined that ZCA 24-04 exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) - Common Sense Exemption. The project is exempt under the “common sense” exemption because it does not involve any grading, demolition, or construction activities that will have a significant effect on the environment. The project is strictly a text update to the City’s Municipal Code.

Lead Agency or Contact Person:

Telephone/Email:

(909) 954-5177 office
shutter@grandterrace-ca.gov

Scott Hutter
Planning Director
City of Grand Terrace

Date



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Authorization to Install Security Gates at City Hall and Public Parks

PRESENTED BY: Natalie Oros, Department Secretary

RECOMMENDATION:

1. Approve an agreement with General Door for the installation of gates at City Hall, Veterans Freedom Park, and Richard Rollins Park in the total amount of \$104,719.00, subject to City Attorney approval as to form.

2030 VISION STATEMENT:

This staff report supports Goal #2: Maintain Public Safety, by investing in infrastructure improvements that enhance the safety of City facilities, protect staff and Sheriff vehicles, and reduce reliance on manual operations for park closures.

BACKGROUND:

As part of the City's ongoing partnership with the San Bernardino County Sheriff's Department, the annex building at City Hall has been designated for use as a local substation. To support this effort, the City has offered the use of its maintenance yard to provide secure parking for Sheriff's Department vehicles. In turn, the City will have to relocate their vehicles to the south parking lot. To maintain a secure environment for staff, the installation of a secured access gate at this location is being proposed.

Additionally, the City has experienced increased reliance on Public Works staff to manually close park gates during evenings and weekends when volunteers are unavailable. This has resulted in additional on-call staffing costs and operational inefficiencies, prompting the need for automated gate systems at Richard Rollins Park and Veterans Freedom Park.

DISCUSSION:

To improve security for staff vehicles and support the Sheriff's Department, staff recommends installing a secured access gate at the south parking lot of City Hall. The gate will limit access to authorized users and enhance site safety. The quoted cost for this gate is \$57,187.00.

To address ongoing operational inefficiencies and reduce reliance on on-call staff for park closures, staff also recommends installing automated gates at Veterans Freedom Park and Richard Rollins Park. These gates will streamline park closure processes and reduce recurring staffing costs.

The City requested quotes from three vendors: General Door, Automated Gate Services Inc., and Vortex Doors. Vortex did not submit a quote for the City Hall gate. General Door was the lowest, most

responsive bidder for all three sites, submitting the following quotes:

- Veterans Freedom Park: \$22,500.06
- Richard Rollins Park: \$25,031.94
- City Hall South Parking Lot: \$57,187.00

ENVIRONMENTAL IMPACT:

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 (Class 3 – New Construction or Conversion of Small Structures) as it involves the installation of minor accessory structures at existing facilities

FISCAL IMPACT:

The total cost of the proposed gate installations is \$104,719.00, which includes:

- \$57,187.00 for the secured access gate at the City Hall south parking lot (Account No. 10-195-706-000)
- \$22,500.06 for the automated gate at Veterans Freedom Park (Account No. 10-450-245-000)
- \$25,031.94 for the automated gate at Richard Rollins Park (Account No. 10-450-245-000)

Funding for the entire project was included and approved as part of the midyear budget adjustment and remains available in the current fiscal year budget. No additional appropriation is required.

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF GRAND TERRACE

and

GENERAL DOOR SERVICE INC

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF GRAND TERRACE AND
GENERAL DOOR SERVICE INC**

This “AGREEMENT FOR CONTRACT SERVICES BY AND BETWEEN THE CITY OF GRAND TERRACE AND GENERAL DOOR SERVICE INC” (herein “Agreement”) is made and entered into this 13th day of May, 2025 by and between the City of Grand Terrace, a California municipal corporation (“City”) and GENERAL DOOR SERVICE INC, a California corporation (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a informal bid request, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by City to perform those services.

C. Pursuant to the City of Grand Terrace Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

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

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant’s Proposal.

The Scope of Service shall include Consultant’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for Consultant’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed One Hundred Four Thousand Seven Hundred Nineteen Dollars (\$104,719.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including City, if Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Justin Thomas Ganas	Owner
(Name)	(Title)
(Name)	(Title)
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing Principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be Konrad Bolowich, City Manager, [or such person as may be designated by the City Manager]. It shall be Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or

control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance

written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000.00. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least five (5) consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional five (5) year period, Consultant shall annually and upon request of City submit written evidence of this continuous coverage.

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any Party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to City. In the event any of said policies of insurance are cancelled, Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

Consultant's Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or any automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. Consultant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible nor shall it limit Consultant's indemnification liabilities as provided in Section 5.3.

In the event Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("Indemnitors"), or arising from Consultant's or Indemnitors'

reckless or willful misconduct, or arising from Consultant's or Indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold City, its officers, agents, and employees harmless therefrom;

(c) In the event City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to City, its officers, agents or employees, any and all costs and expenses incurred by City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than three (3) years duration, or in the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to City, Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, Consultant shall fully cooperate with City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by Consultant will be at City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to

use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for City.

6.4 Confidentiality and Release of Information.

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

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

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

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District

Court, venue shall lie exclusively in the Central District of California, in the County of San Bernardino, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of City to give notice of Consultant's default shall not be deemed to result in a waiver of City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party

of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 *et seq.* and 910 *et seq.*, in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Consultant. In addition, Consultant may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where Consultant has initiated termination, Consultant 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 Consultant has initiated termination, Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating Party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to Consultant for the purpose of set-off or partial payment of the amounts owed City as previously stated.

7.9 Attorney's Fees.

If either Party to this Agreement is required to initiate or defend or made a Party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs

the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Grand Terrace, 22795 Barton Rd, Grand Terrace, CA 92313, and in the case of Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts and Electronic Signatures.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by Consultant and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

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

CITY:

City of Grand Terrace, a municipal corporation

Konrad Bolowich, City Manager

ATTEST:

Daysi Alcocer, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Adrian R. Guerra, City Attorney

CONSULTANT:

By:

Name: JUSTIN THOMAS GANAS
Title: Owner

By:

Name:
Title:

Address: 3300 Call Drive
Riverside, CA 92503

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2025 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”
SCOPE OF SERVICES

- I. Consultant shall perform all of the work and comply with all of the specifications and requirements in the “General Provisions” and “Special Provisions” included in the bid documents for the project entitled the **“Installation of Security Gates at City Hall (22795 Barton Road), Veterans Freedom Park (21950 Pico Street), and Richard Rollins Park (22745 De Berry Street).”**
- II. Including any documents or exhibits referenced therein. The bid documents shall include, but not be limited to, those bid specifications and documents provided in Exhibit “A-1”.
- III. In addition to the requirements of Section 6.2, during performance of the work, Consultant will keep the City apprised of the status of performance by delivering status reports as may be required by the City from time to time.
- IV. All work is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.
- V. Consultant shall provide safe and continuous passage for pedestrian and vehicular traffic in accordance with the Work Area Traffic Control Handbook (WATCH), latest edition.

EXHIBIT “A-1”

BID SPECIFICATIONS AND DOCUMENTS



ESTIMATE #	1062705302
Purchase Order/Work Order:	

BILLING INFORMATION
City of Grand Terrace Natalie Oros 22795 Barton Rd Grand TerraceCalifornia 92313-5271 (909) 954-5195 Noros@grandterrace-ca.gov

SERVICE LOCATION
City of Grand Terrace Richard Rollins Park 22745 DeBerry St Grand Terrace, CA, 92313 (909) 954-5195 Noros@grandterrace-ca.gov

SCOPE OF WORK	Furnish & Install: Location: Richard Rollins Park 4) Liftmaster Commercial Swing Gate Operator - Ideal for heavy-traffic applications - 1 HP rated for gates 50ft and 1,000 lbs - Integrates easily with LiftMaster Access Control Technology - MyQ Built In Technology - Bi-Part Wireless Pairing Capable - Hardwire Connection Capable (Recommended) Add \$1200 - (2) Safety Sensors (UL325 Compliant) - Battery Back-Up Feature Included - (2) loop Modules 2) 16' In Ground Exit/Safety loop Wire Installation - (1) Safety Loop (1) Exit Loop - (5) 30 Ounce Asphalt Sealant - 50' Backer Rod Foam 1) 365 Day Timer For Gate Operator - Programmable Holidays - Accounts For Daylight Savings 1) Liftmaster KPW250 Wireless Commercial Key-Pad **This Includes Prevailing Wages** 1 Year Warranty Lead Time: 4-5 Weeks Terms: NET30
---------------	---

Estimate Total: \$25,031.94

To approve this scope of work please initial your name.

Initial: _____

TERMS AND CONDITIONS
TERMS OF SALE Payment for our work is due and payable upon completion of the work. The party who requested and authorizes our work shall remain responsible for payment of our invoice regardless of other parties involved (i.e. - insurance company or landlord). We will not invoice a landlord or insurance company unless they were the party which ordered the work with us. We will provide an itemized invoice if requested. Service rates can vary with the time of day. Our normal business hours are Monday to Friday, 7:30 AM to 4:00 PM. Overtime charges at one and one half our normal rates and apply Monday to Friday, 4:01 PM to 9:00 PM and Saturday 7:30 AM to 4:30 PM. Premium time charges at double our normal rates apply Monday to Friday 9:01 PM to 7:29 AM, Saturday 4:31 PM to 7:30 AM and all day Sunday. Applicable hourly rates shall apply to travel time to and from the job site. A minimum service charge shall apply any time service is requested and a crew is dispatched regardless of the quantity of work performed.

GENERAL DOOR

**ESTIMATE #**

1062549735

**Purchase
Order/Work Order:****BILLING INFORMATION**

City of Grand Terrace
Shanita Tillman
22795 Barton Rd
Grand Terrace California
92313-5271
(909) 954-5191
stillman@grandterrace-ca.gov

SERVICE LOCATION

City of Grand Terrace
Veterans Freedom Park
21950 Pico St
Grand Terrace, California, 92313-5832
(909) 954-5191
stillman@grandterrace-ca.gov

SCOPE OF WORK**Furnish & Install:**

- Location: Freedom Park
- 2) Liftmaster Swing Gate Operators
- Ideal for heavy-traffic applications
 - 1/2 HP rated for gates 50ft and 1,000 lbs
 - Integrates easily with LiftMaster Access Control Technology
 - MyQ Built In Technology
 - Bi-Part Wireless Pairing Capable
 - Hardwire Connection Capable (Recommended) Add \$1200
 - (2) Safety Sensors (UL325 Compliant)
 - (2) loop Modules
- 2) Gate Operator Concrete Pad
- Dirt Is To Be Compacted Before Foundation Is Poured
 - 3'x3'x24" Foundation
 - (20') #4 Rebar For Structural Strength
- 1) Chain Link Repair & Upgrade
- Includes (2) 4" Power Wheels W/ Weldable Mounting Hardware
 - (4) Guide Posts Rollers
- 1) 28' Surface Mount V-Groove Track
- 1/4" Thick Steel Angle Painted W/ Rust Preventative
 - 28'x6"x2' Concrete Foundation For Track
 - (100') #4 Rebar For Structural Strength
 - Dirt Is To Be Compacted Before Foundation Is Poured
 - (10) Foundational Steel "J" Anchor
- 2) 16' In Ground Exit/Safety loop Wire Installation
- (1) Safety Loop (1) Exit Loop
 - (5) 30 Ounce Asphalt Sealant
 - 50' Backer Rod Foam
- 1) 365 Day Timer For Gate Operator
- Programmable Holidays
 - Accounts For Daylight Savings
- 1) Liftmaster KPW250 Wireless Commercial Key-Pad
- **This includes Prevailing Wages****
- 1 Year Warranty
Lead Time: 3-4 Weeks
Terms: NET30

Estimate Total:**\$22,500.06**

To approve this scope of work please initial your name.

Initial: _____

Estimate 03/05/2025

GENERAL DOOR



ESTIMATE #

1061674859

Purchase
Order/Work Order:

BILLING INFORMATION

City of Grand Terrace
Natalie Oros
22795 Barton Rd
Grand Terrace, California
92313-5271
(909) 954-5195
Noros@grandterrace-ca.gov

SERVICE LOCATION

City of Grand Terrace
City of Grand Terrace
22795 Barton Rd
Grand Terrace, California, 92313-5271
(909) 954-5195
Noros@grandterrace-ca.gov

SCOPE OF WORK

Furnish & Install:

- 140" Wrought Iron Gate
- Steel Tubes To be Set In Concrete
- Finish: Black
- 6" Top Picket Spaded Tips

South Side Gate:

- 1) Single Sliding Wrought Iron Gate
- 2,000lb Rated Rollers
- 6" Polyurethane Guide Rollers
- Finish: Black
- Gate Opens To the West

- 1) Liftmaster 24U Commercial Slide Gate Operator
- 1/2 HP / 120v / 24v Motor
- Designed For High Traffic Applications
- Rated For Continuous Duty
- Battery Backup Included
- MyQ Technology Allows Remote Control Via WIFI
- Complete W/ (2) Safety Devices
- UI 325 Compliant

- 2) 16" In Ground Loops
- Saw Cut Into Asphalt
- Includes Asphalt Sealant
- (1) Safety / (1) Exit

- 1) Keypad Goose Neck
- 1) Liftmaster KP250 Commercial Keypad

North Side Gate:

- 1) Bi-Part Sliding Wrought Iron Gate
- 2,000lb Rated Rollers
- 6" Polyurethane Guide Rollers
- Finish: Black

- 2) Liftmaster 24U Commercial Slide Gate Operator
- 1/2 HP / 120v / 24v Motor
- Designed For High Traffic Applications
- Rated For Continuous Duty
- Battery Backup Included
- MyQ Technology Allows Remote Control Via WIFI
- Complete W/ (2) Safety Devices
- UI 325 Compliant

- 2) 16" In Ground Loops
- Saw Cut Into Asphalt
- Includes Asphalt Sealant
- (1) Safety / (1) Exit

- 1) Keypad Goose Neck
- 1) Liftmaster KP250 Commercial Keypad

Block Wall:
248" Chain-Link Fence

- Galvanized Finish
- Anchored On Top Of Wall
- Height: 4'
- Connects to Wrought Iron Gate

1 Year Warranty
Lead Time: 2-4 Weeks
Terms: NET30

Estimate Total:

\$57,187.50

To approve this scope of work please initial your name.

TERMS AND CONDITIONS

TERMS OF SALE

Payment for our work is due and payable upon completion of the work. The party who requested and authorizes our work shall remain responsible for payment of our invoice regardless of other parties involved (i.e. - insurance company or landlord). We will not invoice a landlord or insurance company unless they were the party which ordered the work with us. We will provide an itemized invoice if requested.

Service rates can vary with the time of day. Our normal business hours are Monday to Friday, 7:30 AM to 4:00 PM. Overtime charges at one and one half our normal rates and apply Monday to Friday, 4:01 PM to 9:00 PM and Saturday 7:30 AM to 4:30 PM. Premium time charges at double our normal rates apply Monday to Friday 9:01 PM to 7:29 AM, Saturday 4:31 PM to 7:30 AM and all day Sunday. Applicable hourly rates shall apply to travel time to and from the job site. A minimum service charge shall apply any time service is requested and a crew is dispatched regardless of the quantity of work performed.

In the event that payment is not made in full when due the billing party, as listed on the front of this sheet, agrees to pay the maximum legal rate of interest from date service was provided. If any party to this contract brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as defined) in any such proceeding, action, or appeal shall be entitled to reasonable attorney fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or abandonment by the other party of its claims or defenses.

Any controversy or claim arising out of or related to this contract, or the breach thereof, may, at the option of General Door Service, INC be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

It is specifically agreed that the title of the property furnished under this agreement shall remain that of General Door Service, INC until such time as it has been paid in full. However, all risk of injury and/or loss of the property furnished shall be the responsibility of the buyer at such time as it is delivered to the work site. The property furnished under this agreement shall remain personal property and shall not be considered to be part of the real property to which it may be attached. In the event payment is not made when due, General Door Service, INC reserves the right to repossess any property or work provided under this agreement.

NOTE TO PROPERTY OWNER REGARDING MECHANICS LIENS: In the even that payment is not made in full for services and materials that we provide, a mechanics lien will be filed against the property, whether or not the owner was the party who directly authorized the work. This lien may lead to the loss of all or part of your property through court foreclosure proceedings. This may occur even if you use a contractor whom you have paid in full for our work if the contractor does not in turn make payments to us. If you wish more information on lien laws and ways to protect yourself, you may contact the CONTRACTOR STATE LICENSE BOARD -9821 Business Park Drive, Sacramento, CA 95827, call (800) 321-CSLV, or visit CSLB's website www.cslb.gov.

Limited Conditional Warranty

General Door Service, INC warrants only the materials and labor that it furnishes as listed on the front of this sheet. New doors shall be warrantied for a period of one year for defects in materials and workmanship. Repair materials and labor shall be warrantied for a period of 30 days from the date of the work (unless otherwise specified in the contract body) under the conditions that follow:

Liability shall be limited to the repair or replacement of any units or parts provided by us that become defective through normal use during this warrantied period. General Door Service, INC shall not be liable for any consequential damage or costs. Damage or costs caused by misuse, failure to perform maintenance, or "acts-of-God" (fire, wind, water, earthquakes, etc.) are not warrantied. Warranty service shall be performed as quickly as possible, however warranty service is only available during normal business hours.

No warranty is in force unless payment is made in full and within our terms. Failure to pay in full and within our terms shall force the products and services to be sold as is and with any and all faults.

Warranty will be considered void if the products and services provided in this agreement are further serviced, modified, or in anyway tampered with by anyone other than General Door Service, INC personnel during the warranty period.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

EXHIBIT "C"
SCHEDULE OF COMPENSATION

- I. Consultant shall perform all work at the rates on the Bid Schedule submitted as part of Consultant's Proposal, which is attached hereto as Exhibit "C-1". The City does not expressly or by implication agree that the actual amount of work will correspond with quantities given in Exhibit "C-1", but reserves the right to increase or decrease the amount of any class or portion as deemed necessary or advisable by the Contract Officer. Payment will be based upon the actual quantities installed or constructed, unless otherwise specified.**

- III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.**

- IV. City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
 - A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.**
 - B. Line items for all materials and equipment properly charged to the Services.**
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.**
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.**

- V. The total compensation for the Services shall not exceed \$104,719.00 as provided in Section 2.1 of this Agreement.**

EXHIBIT “D”
SCHEDULE OF PERFORMANCE

- I. Contractor shall perform all work timely and in accordance with plans and specifications as provided in Exhibit “A”. Further, Contractor shall perform all work timely and in accordance with a Project Schedule to be developed by Contractor and the Contract Officer and subject to written approval by the Contract Officer. **All contracted work must be completed no later than June 30, 2025.**

- II. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Public Hearing to Form Community Facilities District No. 2025-1 (Public Maintenance Services)

PRESENTED BY: Shanita Tillman, Sr. Management Analyst

RECOMMENDATION:

1. Adopt Resolution No. 2025-XX, forming Community Facilities District (CFD) No. 2025-1.
2. Adopt Resolution No. 2025-XX, calling a special election for CFD No. 2025-1.
3. Adopt Resolution No. 2025-XX, declaring the results of the special election and directing the recording of a Notice of Special Tax Lien for CFD No. 2025-1.
4. Adopt Ordinance No. XXXX, authorizing the levy of a special tax within Community Facilities District No. 2025-1 (Public Maintenance Services) to finance certain services.

2030 VISION STATEMENT:

Goal #1 "Ensure Our Fiscal Viability" by implementing a funding mechanism via the formation of a Community Facilities District for the maintenance of new landscaping and lighting installed due to new development.

BACKGROUND:

On June 25, 2024, the City Council of Grand Terrace approved Final Tract Map No. 20395, a six-lot residential development that includes pedestrian sidewalks, landscaping, and street and utility improvements. On January 14, 2025, the City Council adopted Resolution No. 2025-03, declaring its intention to establish Community Facilities District (CFD) No. 2025-1 for public maintenance services and authorize the levy of a special tax.

The public hearing was initially set for February 25, 2025, but was postponed to March 11, 2025, with notice provided to the property owner and published in the newspaper. At the hearing, the City Council will consider adopting a Resolution of Formation to establish CFD 2025-1, calling and declaring the results of a special landowner election, and introducing an ordinance to authorize the special tax levy.

The property owner has submitted a consent and waiver form, allowing the election to proceed without time limits or additional analysis. Willdan Financial Services confirmed that fewer than 12 registered voters reside within the CFD boundaries, requiring only a landowner election. The City Clerk has canvassed the ballots, and the property owner was allowed one vote per acre or portion

thereof.

A CFD Report prepared by Willdan Financial Services outlines the public services required, estimated costs, and a boundary map for CFD 2025-1.

DISCUSSION:

The conditions of development for the project require inclusion in CFD 2025-1 to fund increased landscaping, lighting, drainage, and street maintenance costs resulting from the development.

To offset the impact of new development on city services, staff recommends that the City Council approve the establishment of CFD 2025-1 (Public Services) by holding a public hearing, adopting the Resolution of Formation, calling for a special election, and declaring the election results, followed by the first reading of the Ordinance authorizing the special tax. The special tax revenue will fund maintenance services needed due to the development.

The project, owned by Jay-Gees, LLC, is located south of Litton Avenue, west of La Cadena Drive, and east of Rosedale Street, encompassing assessor's parcel number 0275-083-03-0000. It consists of six single-family residential parcels.

Once the formation is complete and at least two-thirds of the votes approve, property owners will begin paying annual special taxes for CFD 2025-1 starting the fiscal year after receiving a building permit. These taxes will be itemized on their property tax bill per the Rate and Method of Apportionment of Special Tax.

ENVIRONMENTAL IMPACT:

Establishing a Community Facilities District (CFD) itself does not create a physical environmental impact, as it is primarily a financial mechanism for funding public services like landscaping, lighting, drainage, and street maintenance.

FISCAL IMPACT:

The City expects to collect an annual special tax of \$1,816 plus CPI per detached dwelling unit within CFD 2025-1, beginning the fiscal year after a building permit is issued. This tax will be itemized on the property tax bill based on the Rate and Method of Apportionment of Special Tax. For the six single-family residential parcels in the project, CFD 2025-1 will generate a total annual special tax of \$10,896, subject to annual inflationary adjustments.

RESOLUTION NO. 2025-XX

RESOLUTION OF FORMATION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE TO ESTABLISH CITY OF GRAND TERRACE COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PUBLIC MAINTENANCE SERVICES), TO ESTABLISH AN APPROPRIATIONS LIMIT THEREFOR, TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN, AND TO SUBMIT THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT AND THE LEVY OF SPECIAL TAXES TO THE QUALIFIED ELECTORS THEREOF

WHEREAS, on March 25, 2025, the City Council adopted a resolution entitled “A Resolution of the City Council of the City of Grand Terrace Declaring Its Intention to Establish a City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services)” (the “Resolution of Intention”), stating its intention to form Community Facilities District No. 2025-1 (Public Maintenance Services) (the “CFD”), of the City pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”) to finance certain services to serve the CFD (the “Services”);

WHEREAS, the Resolution of Intention, setting forth a description of the proposed boundaries of the CFD, Services to be financed by the CFD, including incidental expenses, and the rate and method of apportionment (the “Rate and Method”) of the special tax (the “Special Tax”) to be levied within the CFD to pay for the Services, is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, the Resolution of Intention set May 13, 2025, or as soon thereafter as practical, as the date for a public hearing on the establishment of the CFD, the extent of the CFD, the furnishing of the Services within the CFD, and the proposed Rate and Method;

WHEREAS, a notice of the public hearing to be held on May 13, 2025 was published in accordance with the Act;

WHEREAS, on this date, this Council held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

WHEREAS, at the hearing all interested persons desiring to be heard for or against the establishment of the CFD, the extent of the CFD, the furnishing of the Services and the Rate and Method were heard and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to this Council on such matters before it, including a special report (the “CFD Report”) as to the Services to be provided through the CFD and the costs thereof, a copy of which is on file with the City Clerk, and this Council, at the conclusion of said hearing, is fully advised in the premises;

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of services and the Rate and Method have not been filed with the City Clerk by fifty percent (50%) or more of the registered voters residing within

the territory of the CFD or property owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the proposed special taxes; and

WHEREAS, the Special Tax proposed to be levied in the CFD to pay for the proposed services has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special taxes.

WHEREAS, City Staff reviewed the proposed CFD formation and determined that forming the CFD and financing the Services, as described in Section 7 of this Resolution, does not constitute a project for purposes of the California Environmental Quality Act, commencing with Section 21000 of the California Public Resources Code and the California Environmental Quality Act Guidelines, Article 5 of Chapter 3 of Division 6 of Title 14 of the California Code of Regulations, (collectively "CEQA"). CEQA Guidelines Section 15378 specifically state that the term "project" for CEQA purposes does not include "continuing administrative or maintenance activities" or "[t]he creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." (CEQA Guidelines §§ 15378 (b)(2) and (b)(4).)

WHEREAS, the CFD is intended to fund landscaping and lighting maintenance, drainage maintenance and street maintenance attributable to new growth within the City.

WHEREAS, in addition to the foregoing, because the project is a financing mechanism to fund ongoing administrative and maintenance operations, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and therefore is exempt from CEQA's provisions. (CEQA Guidelines §15061(b)(3).)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Public Hearing. On this date, pursuant to notice thereof duly given as provided by law, the City Council held a public hearing with respect to the establishment of the CFD and the annual levying of the Special Tax within the CFD to pay for the Services.
3. No Majority Protest. The proposed Special Tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.
4. Prior Proceedings Valid. All prior proceedings taken by this City Council in connection with the establishment of the CFD and the levy of the Special Tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.
5. Name of the District. The community facilities district designated "City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services)" of the City is hereby established pursuant to the Act.

6. Boundaries of the District. The Resolution of Intention provides the boundaries of the territory proposed for inclusion in the CFD, as set forth in the map of the CFD heretofore recorded in the San Bernardino County Recorder's Office on April 2, 2025, in Book 92 at Page 35 as Recording Reference No. 2025-0070979 of Maps of Assessment and Community Facilities Districts.

7. Description of Services. The Services proposed to be financed by the CFD and pursuant to the Act shall consist of those items shown in Exhibit "A" hereto and by this reference incorporated herein.

8. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Council.

b. The proposed Rate and Method, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, is shown in Exhibit "B" attached hereto and hereby incorporated herein.

9. CFD Report. The CFD Report is hereby approved and is made a part of the record of the public hearing regarding the formation of the CFD, and is ordered to be kept on file with the City Clerk as part of the transcript of these proceedings.

10. Increased Demands. It is hereby found and determined that the Services are necessary to meet increased demands placed upon the City, as the result of development occurring in the CFD.

11. Responsible Official. The Public Works Director, or his or her designee, of the City of Grand Terrace, located at 22795 Barton Rd, Grand Terrace, CA, 92313, telephone number (909) 954-5200, is the officer of the City who will be responsible for preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number and who will be responsible for estimating future levies of the Special Tax.

12. Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the Special Tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the Special Tax by the CFD ceases.

13. Description of Voting Procedures. The voting procedures to be followed in conducting the special election (the "Special Election") on the proposition of the annual levy of the Special Tax and on the proposition to establish an appropriations limit for the CFD, if the CFD is established, shall be as follows:

a. If at least 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public or protest hearing (the "protest

hearing”), the vote in the Special Election shall be by the registered voters of the CFD with each voter having one vote. In that event, the Special Election shall be conducted by the City Clerk, and shall be held on a date selected by the City Council in conformance with the provisions of Section 53326 of the Act and pursuant to the provisions of the California Elections Code governing elections of cities, insofar as they may be applicable, and pursuant to said Section 53326 the ballots for the Special Election shall be distributed to the qualified electors of the CFD by mail with return postage prepaid or by personal service, and the Special Election shall be conducted as a mail ballot election.

b. If 12 persons have not been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the protest hearing, the vote in the Special Election is to be by the landowners of the CFD, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns within the CFD, the Special Election shall be conducted by the City Clerk pursuant to Section 53326 of the Act as follows:

(i) The Special Election shall be held on the earliest date, following the adoption by the City Council of this Resolution and a resolution calling the Special Election, to submit to the qualified electors of the CFD the propositions with respect to: (i) the levy of Special Tax to finance the Services and (ii) the establishment of an appropriations limit for the CFD.

(ii) Pursuant to said Section 53326, the Special Election may be held earlier than 90 days following the close of the protest hearing if the qualified electors of the CFD waive the time limits for conducting the elections set forth in said Section 53326 by unanimous written consent and the Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(iii) Pursuant to said Section 53326, ballots for the Special Election shall be distributed to the qualified electors by the Clerk by mail with return postage prepaid, or by personal service.

(iv) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections of cities, the City Clerk shall mail (or deliver) to each qualified elector an official ballot and shall also mail to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and a copy of this Resolution and the exhibits hereto; provided, however, that analysis and arguments regarding the ballot measure may be waived with the unanimous consent of all the landowners, and in such event a finding regarding such waivers shall be made in the resolution adopted by the City Council calling the Special Election.

(v) The official ballot to be mailed (or delivered) by the Clerk to each landowner shall have printed or typed thereon the name of the landowner and the number of votes to be voted by the landowner and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner is other than a natural person, that he or she is an officer of or other person affiliated with the landowner entitled to vote such official ballot, that he or she has been authorized to vote such official ballot

on behalf of the landowner, that in voting such official ballot it was his or her intent, as well as the intent of the landowner, to vote all votes to which the landowner is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner's land ownership within the CFD.

(vi) The return identification envelope delivered by the Clerk to each landowner shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the Clerk.

(vii) The instruction to voter form to be mailed by the Clerk to the landowners shall inform them that the official ballots shall be returned to the Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted no later than 6:00 p.m. on the date of the Special Election, or immediately after the Resolution Calling the Special Election is adopted.

(viii) Upon receipt of the return identification envelopes, which are returned prior to the voting deadline on the date of the Special Election, the Clerk shall canvass the votes cast in the Special Election, and shall file a statement with the City Council as to the results of such canvass and the election on each proposition set forth in the official ballot.

14. Annexation Territory. Other property within the boundaries of the City may be annexed into the CFD pursuant to Article 3.5 of the Act.

15. Exempt Property. Except as provided in Section 53340.1 of the Act and except for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section 53317 of the Act, pursuant to Section 53340 of the Act, properties of entities of the state, federal and local governments shall be exempt from the levy of the Special Tax. Reference is hereby made to the Rate and Method for a description of other properties or entities that are expressly exempted from the levy of the Special Tax.

16. Appropriations Limit. An appropriations limit for the CFD is hereby established, subject to voter approval, as an amount equal to all the proceeds of the Special Tax collected annually within such CFD and as defined by Article XIII B of the California Constitution, as adjusted for changes in the cost of living and changes in population.

17. Special Tax Accountability Measures. Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the City Council hereby establishes the following accountability measures pertaining to the levy by the CFD of the Special Tax described in Section 8 above:

a. The Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

b. The proceeds of the levy of the Special Tax shall be applied only to the specific purposes set forth in Section 7 hereof.

c. The CFD shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

d. The Public Works Director, or his or her designee, acting for and on behalf of the CFD, shall annually file a report with the City Council as required pursuant to Government Code Section 50075.3.

18. CEQA. The City Council hereby finds that the CFD formation involves creation of a funding mechanism for certain ongoing service and maintenance activities that do not have any potential for significantly impacting the environment. Further, the City Council hereby finds that it can be seen with certainty that the proposed financing mechanism and services funded thereby have no possibility of resulting in a significant effect on the environment. Therefore, the City Council, in its independent judgment, finds that the project is exempt from CEQA, and hereby directs City Staff to prepare and file a Notice of Exemption with the County Clerk within five days of adoption of this Resolution pursuant to Section 21152 of the California Public Resources Code and Section 15062 of the CEQA Guidelines.

19. Effective Date. This resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED this 13th day of May, 2025 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

CITY OF GRAND TERRACE)

I, Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____ was duly passed, approved, and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer

City Clerk for the City of Grand Terrace

[SEAL]

Exhibit A

City of Grand Terrace Community Facilities District No. 2025-1

(Public Maintenance Services)

Description of Services

The services (the “Services”) described below are proposed to be financed by City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) (the “CFD”). The Services are in addition to those provided in the territory of the CFD before establishing the CFD. The Services do not supplant services already available within the territory of the CFD before establishing the CFD.

Landscaping and Lighting Maintenance: includes the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

Drainage Maintenance: includes the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

Street Maintenance: includes the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

The cost of the Services shall include incidental expenses, including, but not limited to, the costs associated with forming the CFD, determination of the amount of the Special Taxes, collection of the Special Taxes, payment of the Special Taxes, and costs incurred in order to carry out the authorized purposes of the CFD.

All Services shall be provided by the City of Grand Terrace, with its own forces or by contract with third parties, or any combination thereof, to be determined entirely by the City of Grand Terrace.

Nothing in this description of Services or any Resolution of the City Council shall be construed as committing the City or the CFD to provide all of the authorized Services. The provision of Services shall be subject to the successful formation of the CFD and the availability of sufficient proceeds of special taxes within the CFD. The City may annually prioritize, at its discretion, the authorized Services that would be funded and the amount of the special tax proceeds that it will use for each Service.

The description of the Services, as set forth herein, is general in its nature. The final nature of the Services will be determined upon the City's approval of services. The approval thereof may show substitutes in lieu of, or modification to, the proposed Services in order to provide the public Services necessitated by development occurring in the CFD, and any such substitution shall not be a change or modification in the proceedings as long as such substitute Services serve a function or provide a service substantially similar to that function served or the service provided by the Services described in this Report.

Exhibit B

City of Grand Terrace Community Facilities District No. 2025-1

(Public Maintenance Services)

Rate and Method of Apportionment

A Special Tax of City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) ("CFD") shall be levied on all Assessor's Parcels within the CFD and collected each Fiscal Year commencing in Fiscal Year 2025/26 in an amount determined by the Special Tax Administrator through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended.

"Administrative Expenses" means the following actual or reasonably estimated costs incurred by the City as administrator of the CFD, provided that such costs are directly related to administration of the CFD: costs to determine, levy and collect the Special Taxes, including an allocable share of the salaries and benefits of City employees, the fees of consultants, and legal counsel; the costs of collecting installments of the Special Taxes upon the general tax rolls, including any charges levied by County departments; and the preparation of required reports and any other costs required to administer the CFD in accordance with the Act, as determined by the City.

"Annual Escalation Factor" means the greater of (i) three percent (3%) or (ii) the Annual percentage increase in the Consumer Price Index for All Urban Consumers for San Bernardino-San Bernardino-Ontario, CA Area (not seasonally adjusted) as determined by the Bureau of Labor Statistics. If said index is discontinued, then an alternative index may be used as determined by the Special Tax Administrator.

"Assessor's Parcel" means a Lot or parcel of land shown on an Assessor's Parcel Map with a parcel number assigned by the Assessor of the County that corresponds to a number shown on the County Assessor's roll.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Attached Residential” means an Assessor’s Parcel of Developed Property, which is not Affordable Housing Property, within the CFD for which a Building Permit has been issued for purposes of constructing a residential structure or structures sharing common walls and/or common spaces, qualified as Attached Residential at the City’s discretion, consisting of two or more Dwelling Units, including, but not limited to duplexes, triplexes, and apartment units, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Base Year” means Fiscal Year 2025/26.

“Building Permit” means a permit issued for new construction of a residential or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits issued solely for grading, utility improvements, or other such improvements that are constructed and installed and are not intended for human occupancy.

“CFD” means City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services).

“City” means the City of Grand Terrace.

“City Clerk” means the City Clerk for the City or his or her designee.

“Council” means the City Council of the City, acting as the legislative body of the CFD.

“County” means the County of San Bernardino, California.

“Detached Residential” means an Assessors’ Parcel of Developed Property within the CFD, which is not Affordable Housing Property, for which a Building Permit has been issued for purposes of constructing a residential structure consisting of one single-family detached Dwelling Unit, including Mobile Homes, as of June 30th preceding the Fiscal Year in which the Special Tax is being levied.

“Developed Property” means, for Detached Residential, Attached Residential, or Affordable Housing Property, an Assessor’s Parcel within the CFD for which a Building Permit was issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied, based on the number of Dwelling Units or Building Square Footage, as applicable, per City or County records for that Assessor’s Parcel.

“Drainage Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, testing, reporting, remediation, permitting, general administration, personnel, equipment and utilities necessary to maintain public drainage improvements for, within, or associated with the CFD, including drain inlets, filters, detention basin, storm drain pipeline, and associated appurtenant facilities located within, or associated with, the CFD.

“Dwelling Unit” means each separate residential unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential units, in which a person or persons may live, which comprises an independent facility and is not considered to be for non-residential use only, and as defined in the City of Grand Terrace's Municipal Code.

“Exempt Property” means for each Fiscal Year, an Assessor's Parcel within the CFD not subject to the Special Tax. Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement such as railroad parcels, roads and landscape lots, (iv) property reasonably designated by the City or Special Tax Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors that may make development of such property impractical for human occupancy, and (v) Welfare Exemption Property.

“Final Map” means an Assessor's Parcel Map, a Final Subdivision Map, parcel map, condominium plan, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Landscaping and Lighting Maintenance Requirement” means for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing landscaping and lighting maintenance within, or associated with the CFD, including the labor, material, administration, personnel, equipment and utilities (i.e., water and power) necessary to maintain public landscaping and lighting improvements for, within, or associated with the CFD, including trees, turf, ground cover, shrubs, weed removal, irrigation systems, sidewalk, drainage facilities, lighting, signs, monuments, graffiti removal, walkways, and associated appurtenant facilities located within, or associated with, the CFD.

“Land Use Class” means any of the classes listed in Table 1 and defined herein.

“Lot” means an individual legal lot created by an Assessor's Parcel Map or Final Map.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below, that can be levied by the CFD in any Fiscal Year on any Assessor's Parcel.

“Mobile Home” means a vehicle designed and equipped for human habitation as defined by the California Health & Safety Code § 18008.

“Property Owner Association Property” means, for each Fiscal Year, any property within the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder, to a property owner association, including any master or sub-association, which consists of property owned in

common by owners of surrounding properties and it is intended for use for community purposes.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Developed Property to the Maximum Special Tax per Assessor’s Parcel of Developed Property is equal for all Assessor’s Parcels of Developed Property. **“Proportionately”** means, for Undeveloped Property, that the ratio of the actual Special Tax levied per Assessor’s Parcel of Undeveloped Property to the Maximum Special Tax per Assessor’s Parcel of Undeveloped Property is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means, in any Fiscal Year: (i) all Parcels within the boundaries of the CFD that are owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that Taxable City Property shall not be categorized as Public Property, and any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; and (ii) all Parcels within the boundaries of the CFD that are encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Reserve Fund” means a fund that shall be created and maintained for the CFD for each Fiscal Year to provide necessary cash flow to cover maintenance and operational cost overruns, and delinquencies in the payment of Special Taxes.

“Special Tax” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

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

“Special Tax Requirement” means the sum of (i) Streetscape and Landscape Maintenance Requirement, (ii) Administrative Expenses of the CFD, and (iii) any amounts required to establish or replenish a Reserve Fund for that Fiscal Year.

“State” means the State of California.

“Street Maintenance Requirement” means, for any Fiscal Year in which the Special Taxes are levied, the amount equal to the budgeted costs for providing the labor, material, administration, personnel, equipment and utilities necessary to maintain public streets, streetlights and associated appurtenant facilities for, within, or associated with the CFD, including City overhead costs associated with providing such services within the CFD.

“Streetscape and Landscape Maintenance Requirement” means the sum of the Landscaping and Lighting Maintenance Requirement, the Street Maintenance Requirement, and the Drainage Maintenance Requirement.

“Taxable Property” means all Assessor’s Parcels of Developed Property and Undeveloped Property within the CFD that are not Exempt from the Special Tax pursuant to law or as defined herein.

“Undeveloped Property” means, for each Fiscal Year, an Assessor’s Parcel within the CFD for which a Building Permit has not been issued on or prior to June 30th preceding the Fiscal Year in which the Special Tax is being levied and is not classified as Exempt Property.

“Welfare Exemption Property” means, in any Fiscal Year, any Parcels that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, commencing with Fiscal Year 2025/26, using the definitions above, each Assessor’s Parcel within the CFD shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2025/26, Taxable Property shall be further classified as Attached Residential, Detached Residential, Affordable Housing Property, or Undeveloped Property.

C. MAXIMUM SPECIAL TAX RATES

Land Use Class	Land Use Description	Fiscal Year 2025/26 Maximum Special Tax Rate
1	Detached Residential	\$1,816.00 per Dwelling Unit
2	Attached Residential	\$1,089.60 per Dwelling Unit
3	Undeveloped Property	\$2,867.38 per Lot acre

For each Fiscal Year following the Base Year, the Maximum Special Tax rates shall be increased by the Annual Escalation Factor. A different Maximum Special Tax may be added to the CFD as a result of future annexations or if future annexations involve a new Land Use Class.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing Fiscal Year 2025/26, and for each subsequent Fiscal Year, the Special Tax Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement:

Step 1: The Special Tax shall be Proportionately levied each Fiscal Year on each Assessor’s Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to meet the Special Tax Requirement. The applicable Maximum

Special Tax shall be based on the Developed Property's classification as Detached Residential or Attached Residential.

Step 2: If after applying the method of apportionment in Step 1, if additional funds are needed to satisfy the Special Tax Requirement, the Special Tax shall be Proportionately levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax to meet the remainder of the Special Tax Requirement needed. The applicable Maximum Special Tax shall be based on the Undeveloped Property's classification.

E. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section A.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section A, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Sections B, C, and D.

F. APPEALS

Any landowner who pays the Special Tax and believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Special Tax Administrator regarding such error. If following such consultation, the Special Tax Administrator determines that an error has occurred, the Special Tax Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, the landowner believes such error still exists, such person may file a written notice with the City Clerk of the City appealing the amount of the Special Tax levied on such Assessor's Parcel. Upon the receipt of any such written notice, the City Clerk shall forward a copy of such notice to the City Finance Director, who shall either (1) refer the matter to the City's existing hearing board for administrative appeals; or (2) establish as part of the proceedings and administration of the CFD, a special three-member Review/Appeal Committee. The Review/Appeal Committee may establish such procedures, as it deems necessary to undertake the review of any such appeal. The hearing board or Review/Appeal Committee shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner appeals, as herein specified. The decision of the hearing board or Review/Appeal Committee shall be final and binding to all persons.

G. MANNER OF COLLECTION

Special Taxes levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided however that (i) the CFD may directly bill the Special Tax, and (ii) the CFD may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the City Council.

H. TERM OF SPECIAL TAX

Taxable Property in the CFD shall remain subject to the Special Tax in perpetuity or until the City Council takes appropriate actions to terminate the Special Tax pursuant to the Act.

RESOLUTION NO. 2025 - XX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE
CALLING A SPECIAL ELECTION AND SUBMITTING TO THE QUALIFIED
ELECTORS OF CITY OF GRAND TERRACE COMMUNITY FACILITIES DISTRICT
NO. 2025-1 (PUBLIC MAINTENANCE SERVICES) PROPOSITIONS REGARDING
THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT AND THE ANNUAL LEVY
OF A SPECIAL TAX WITHIN THE COMMUNITY FACILITIES DISTRICT**

WHEREAS, on May 13, 2025 the City Council (the “City Council”) of the City of Grand Terrace (the “City”) held a public hearing (the “Public Hearing”) on the establishment of Community Facilities District No. 2025-1 (Public Maintenance Services) (the “District”).

WHEREAS, following the Public Hearing, the City Council adopted a resolution entitled “Resolution of Formation of the City Council of the City of Grand Terrace to Establish City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to Establish an Appropriations Limit therefore, to Authorize the Levy of a Special Tax therein, and to Submit the Establishment of an Appropriations Limit and the Levy of a Special Tax to the Qualified Electors Thereof” (the “Resolution of Formation”) ordering the formation of the District, and subject to approval of the qualified electors of the District, authorizing the levy of a special tax (the “Special Tax”) on property within the District and establishing an appropriations limit for the District, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the “Act”); and

WHEREAS, pursuant to the Resolution of Formation, the propositions relating to the levy of the Special Tax and the establishment of an appropriations limit will be submitted to the qualified electors of the District as required by the Act; and

WHEREAS, the City Clerk has advised the City Council that she has received a statement from the Registrar of Voters of the County San Bernardino that less than twelve (12) persons are registered to vote in the territory of the District; and

WHEREAS, the City Clerk has advised the City Council that she has received Consent and Waiver forms from each and every landowner within the District, pursuant to which each landowner has expressly waived certain requirements related to the conduct of the election.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

- 1. Recitals.** The above recitals are all true and correct.
- 2. Call of Election.** The City Council hereby calls and schedules a special election for May 13, 2025, to consider the proposition described in Section 3 below.

3. Proposition.

- a. Pursuant to Sections 53325.7, 53326 and 53353.5 of the Act, the proposition relating to the levy of the Special Tax and the proposition relating to the establishment of the appropriations limit shall be combined into one ballot proposition and shall be submitted to the qualified electors of the District as required by the Act.
- b. If the combined proposition for the levy of the Special Tax and the establishment of the appropriations limit receives the approval of more than two-thirds of the votes cast on the proposition, the Special Tax may be levied and the appropriations limit may be established as provided for in the Resolution of Formation.
- c. The amount, method of collection and purpose of the Special Tax are specified in the Resolution of Formation, on file in the office of the City Clerk and by this reference incorporated herein.
- d. The proposition to be submitted to the voters of the District at such special election shall be as follows:

Shall special taxes with a rate and method of apportionment ("RMA") attached hereto as Exhibit A and incorporated herein and made a part of this ballot measure and as also set forth in Exhibit "B" to the resolution entitled "Resolution of Formation of the City Council of the City of Grand Terrace to Establish City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to Establish an Appropriations Limit therefor, to Authorize the Levy of a Special Tax Therein, and to Submit the Establishment of an Appropriations Limit and the Levy of a Special Tax to the Qualified Electors Thereof" (the "Resolution of Formation") be levied annually in perpetuity on taxable property within City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to pay for the maintenance of landscaping, lighting, streets and drainage, and incidental expenses related thereto, and shall the appropriations limit be established, all as set forth in the Resolution of Formation?

- 4. **Electors Determined.** The City Council finds that 12 persons have not been registered to vote within the territory of the District for each of the 90 days preceding the close of the Public Hearing and that pursuant to Section 53326 of the Act, the vote in the special election called by this Resolution shall be by the landowners of the District whose property would be subject to the special taxes if they were levied at the time of the election, and each landowner shall have one vote for each acre, or portion thereof, which he or she owns within the District which would be subject to the proposed special taxes if they were levied at the time of the election.

5. Conduct of Election. Except as otherwise provided in Section 6 hereof, the special election shall be conducted by the City Clerk in accordance with the provisions of the California Elections Code governing mail ballot elections of cities, and particularly the provisions of Division 4 (commencing with Section 4000), of that Code, insofar as they may be applicable.

6. Election Procedures.

a. The procedures to be followed in conducting the special election on the proposition described in Section 3 shall be as provided in the Resolution of Formation. It is hereby acknowledged that the City Clerk has on file a copy of the Resolution of Formation.

b. The City Council hereby finds that the qualified electors of the CFD have waived the time limits for conducting the special election by unanimous written consent.

7. Concurrence of City Clerk. The City Council hereby finds and determines that the City Clerk has concurred in the shortened time for the election, pursuant to Section 53326 of the Act.

PASSED, APPROVED and ADOPTED this 13th day of May, 2025 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

CITY OF GRAND TERRACE)

I, Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____ was duly passed, approved, and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer

City Clerk for the City of Grand Terrace

[SEAL]

RESOLUTION NO. 2025 - XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DECLARING THE RESULTS OF A SPECIAL ELECTION IN CITY OF GRAND TERRACE COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PUBLIC MAINTENANCE SERVICES) AND DIRECTING THE RECORDING OF A NOTICE OF SPECIAL TAX LIEN

WHEREAS, in proceedings heretofore conducted by the City Council of the City of Grand Terrace (the "City Council") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311, of the California Government Code (the "Act"), the City Council adopted Resolution No. 2025-XX on May 13, 2025, entitled "Resolution of the City Council of the City of Grand Terrace Calling a Special Election and Submitting to the Qualified Electors of City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) Propositions Regarding the Establishment of an Appropriations Limit and the Annual Levy of a Special Tax within the Community Facilities District" (the "Resolution Calling Election"), calling for a special election (the "Special Election") of the qualified electors within Community Facilities District No. 2025-1 (Public Maintenance Services) (the "District"); and

WHEREAS, pursuant to the terms of the Resolution Calling Election, which are by this reference incorporated herein, the Special Election was held on May 13, 2025, and the City Clerk has on file a Certificate of the City Clerk as to the Results of the Canvass of the Election Returns (the "Certificate"), a copy of which is attached hereto as Exhibit A and by this reference incorporated herein; and

WHEREAS, this City Council has reviewed said Certificate and hereby approves it.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grand Terrace does hereby resolve, determine and order as follows:

- 1. Recitals.** The above recitals are all true and correct.
- 2. Ballot Measure.** The ballot measure (the "Ballot Measure") presented to the qualified electors is set forth in Exhibit A attached hereto and by this reference incorporated herein.
- 3. Election Results.** The results of the Special Election are as set forth in the Certificate on file with the City Clerk and attached hereto as Exhibit A. Pursuant to the Certificate, the Ballot Measure presented at the Special Election was approved by the qualified electors of the District.
- 4. Ballot Measure Authorized.** This City Council, acting in its capacity as legislative body of the District, is hereby authorized to levy on the land within the District the special tax described in the Ballot Measure for the purposes described therein and to take the necessary steps to levy the special tax authorized by the Ballot Measure. The appropriations limit as specified in the Ballot Measure is hereby established.
- 5. Finding of Validity.** It is hereby found that all prior proceedings and actions taken by this City Council with respect to the District were valid and in conformity with the Act.
- 6. Notice of Special Tax Lien.** The City Clerk is hereby directed to record in the office of the County Recorder of the County of San Bernardino within fifteen days of the date

hereof a notice of special tax lien with respect to the District in substantially the form required by California Streets and Highways Code Section 3114.5.

PASSED, APPROVED and ADOPTED this 13th day of May, 2025 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Daysi Alcocer
City Clerk

Bill Hussey
Mayor, City of Grand Terrace

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

CITY OF GRAND TERRACE)

I, Daysi Alcocer, City Clerk of the CITY OF GRAND TERRACE, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2025- _____ was duly passed, approved, and adopted by the City Council, approved and signed by the Mayor, and attested by the City Clerk, all at the regular meeting of said City Council held on the 13th day of May 2025, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Executed this 13th day of May 2025, at Grand Terrace, California.

Daysi Alcocer

City Clerk for the City of Grand Terrace

[SEAL]

EXHIBIT A
CITY OF GRAND TERRACE
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(PUBLIC MAINTENANCE SERVICES)

CERTIFICATE OF THE CITY CLERK AS TO THE
RESULTS OF THE CANVASS OF THE ELECTION RETURNS

I, Daysi Alcocer, City Clerk of the City of Grand Terrace, hereby certify that I canvassed the returns of the Special Election in the City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) (the "District"), that the election was held in the Chambers of the City Council at 22795 Barton Rd, Grand Terrace, California 92313 on May 13, 2025.

I further certify that the total number of ballots cast in said election and the total number of votes cast for and against the measure are full, true and correct:

Measure	Qualified Eligible Votes	Votes Cast	Yes	No
Shall special taxes with a rate and method of apportionment ("RMA") attached hereto as Exhibit A and incorporated herein and made a part of this ballot measure and as also set forth in Exhibit "B" to the resolution entitled "Resolution of Formation of the City Council of the City of Grand Terrace to Establish City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to Establish an Appropriations Limit therefor, to Authorize the Levy of a Special Tax Therein, and to Submit the Establishment of an Appropriations Limit and the Levy of a Special Tax to the Qualified Electors Thereof" (the "Resolution of Formation") be levied annually in perpetuity on taxable property within City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to pay for the maintenance of landscaping, lighting, streets and drainage, and incidental expenses related thereto, and shall the appropriations limit be established, all as set forth in the Resolution of Formation?	4			

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this ____ day of _____, 2025.

By: _____
Daysi Alcocer
City Clerk
City of Grand Terrace

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN THE CITY OF GRAND TERRACE COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PUBLIC MAINTENANCE SERVICES)

WHEREAS, on March 25, 2025, the City Council of the City of Grand Terrace (the "City Council") adopted Resolution No. 2025-XX entitled "A Resolution of the City Council of the City of Grand Terrace Declaring Its Intention to Establish City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) and to Authorize the Levy of a Special Tax Therein to Finance Certain Services" (the "Resolution of Intention"), stating its intention to establish the City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) (the "District") to fund certain services described therein (the "Services") pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code section 53311 *et seq.* (the "Act"); and

WHEREAS, notice was published as required by the Act of the public hearing called pursuant to the Resolution of Intention as to the City Council's intention to form the District and to provide for the costs of the Services; and

WHEREAS, the Resolution of Intention called for a public hearing on the District to be held on May 13, 2025, and on this date the City Council held a public hearing, as required by the Act, relative to its decision to proceed with the formation of the District and the levy of special taxes therein; and

WHEREAS, City Council did not hold a council meeting on May 13, 2025 and the public hearing was postponed to May 13, 2025, at 6:00 p.m., or as soon thereafter as practical, and notice was provided to the property owner within the CFD;

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and the levy of the special taxes were heard, evidence was presented and considered by this City Council and a full and fair hearing was held; and

WHEREAS, subsequent to the close of the public hearing, this City Council adopted resolutions entitled "Resolution of Formation of the City Council of the City of Grand Terrace to establish City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services), to establish an Appropriations Limit therefor, to authorize the Levy of A Special Tax therein, and to Submit the establishment of an Appropriations Limit and the Levy of Special Taxes to the Qualified Electors thereof" (the "Resolution of Formation"), and "Resolution of the City Council of the City of Grand Terrace calling a Special Election and submitting to the Qualified Electors of City of Grand Terrace Community Facilities District No. 2025-1 (Public Maintenance Services) propositions regarding the establishment of an appropriations Limit and the annual Levy of a Special Tax Within the Community Facilities District", which resolutions established the District, authorized the levy of a special tax within the District, and called an election within the District on the proposition of levying a special tax within, and establishing an appropriations limit for, the District; and

WHEREAS, an election was held within the District in which the landowners approved said propositions by ballots cast in the election.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Grand Terrace as follows:

1. By the passage of this Ordinance, this City Council hereby authorizes and levies special taxes within the District, pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of special taxes appended as **Exhibit B** to the Resolution of Formation (the “Rate and Method of Apportionment”), which Resolution of Formation is by this reference incorporated herein. The Special Tax is hereby levied to pay for the Services for the District, as contemplated by the Resolution of Formation and the Rate and Method of Apportionment, commencing in fiscal year 2025-26 and in each fiscal year thereafter.
2. The Public Works Director of the City or her designee is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within the District, in the manner and as provided in the Rate and Method of Apportionment.
3. Exemptions from the levy of the Special Tax shall be as provided in the Resolution of Formation and the applicable provisions of the Act. In no event shall special taxes be levied on any parcel within the District in excess of the maximum tax specified in the Rate and Method of Apportionment.
4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation, including, but not limited to, the payment of costs of providing the Services, the payment of City costs in administering the District and the costs of collecting and administering the special tax.
5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District. The special taxes will be collected in the same manner as ordinary ad valorem property taxes, and the special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of California Government Code section 53356.1 shall apply to delinquent special tax payments. The Public Works Director or her designee is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Bernardino and to take all actions necessary to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of the District in each fiscal year.

Notwithstanding the foregoing, any special taxes that cannot be collected on the County tax roll, or are not so collected, may be collected through direct billing by the City.

6. If for any reason a court with jurisdiction finds any portion of this ordinance to be invalid or finds the special tax to be inapplicable to any particular parcel, then the balance of this ordinance and the application of the special tax to the remaining parcels shall not be affected.
7. This ordinance shall take effect and be in force immediately as a tax measure; and before the expiration of fifteen (15) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the District.

PASSED, APPROVED and ADOPTED this 13th day of May, 2025 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Bill Hussey, Mayor
City of Grand Terrace

ATTEST:

Daysi Alcocer, City Clerk
City of Grand Terrace

I hereby certify that the foregoing is a true and correct copy of an ordinance, being Ordinance No. XXXX, duly passed and adopted at a meeting of the City Council of the City of Grand Terrace, California, held on May 13, 2025.

Daysi Alcocer, City Clerk
City of Grand Terrace

APPROVED AS TO FORM:

Adrian Guerra, City Attorney
City of Grand Terrace



AGENDA REPORT

MEETING DATE: May 13, 2025

TITLE: Introduction and First Reading by Title Only, with Further Reading Waived an Ordinance Amending Section 8.112.180 (Establishment of A No Fireworks Safety Zone) of Title 8 (Health And Safety) of the Grand Terrace Municipal Code

PRESENTED BY: Konrad Bolowich, City Manager

RECOMMENDATION: **Direct the City Attorney to read by title only, waive reading of, and introduce "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA AMENDING SECTION 8.112.180 (ESTABLISHMENT OF A NO FIREWORKS SAFETY ZONE) OF TITLE 8 (HEALTH AND SAFETY) OF THE GRAND TERRACE MUNICIPAL CODE, WHICH AMENDS THE CITY'S FIREWORKS REGULATIONS"**

2030 VISION STATEMENT:

This Staff Report Supports Goal #2: To Maintain Public Safety

BACKGROUND:

The City of Grand Terrace (the "City") has adopted Chapter 8.112 of Title 8 of the Grand Terrace Municipal Code, establishing fireworks rules and regulations. The City is authorized, pursuant to its police power (Cal. Const. Art. 11, § 7), to regulate and control fireworks within its boundaries

DISCUSSION:

The City desires to protect the health and safety of its community by reducing the risk of fires and related hazards through the designation of areas where the use of fireworks is prohibited due to high fire risk. The City Council (the "City Council") of the City wishes to redefine the locations where fireworks may be discharged in order to help protect the health, safety, and general welfare of the residents of the City

ENVIRONMENTAL IMPACT:

None.

FISCAL IMPACT:

None.

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAND TERRACE, CALIFORNIA AMENDING SECTION 8.112.180 (ESTABLISHMENT OF A NO FIREWORKS SAFETY ZONE) OF TITLE 8 (HEALTH AND SAFETY) OF THE GRAND TERRACE MUNICIPAL CODE, WHICH AMENDS THE CITY'S FIREWORKS REGULATIONS

WHEREAS, the City of Grand Terrace (the "City") has adopted Chapter 8.112 of Title 8 of the Grand Terrace Municipal Code establishing fireworks rules and regulations; and

WHEREAS, the City is authorized, pursuant to its police power (Cal. Const. Art. 11, § 7), to regulate and control fireworks within its boundaries; and

WHEREAS, the City desires to protect the health and safety of its community by reducing the risk of fires and related hazards through the designation of areas where the use of fireworks is prohibited due to high fire risk; and

WHEREAS, California Health and Safety Code section 12541 authorizes counties, cities, and special districts to adopt ordinances or regulations prohibiting or regulating the sale, use, or discharge of fireworks; and

WHEREAS, the City Council (the "City Council") of the City wishes to redefine the locations where fireworks may be discharged in order to help protect the health, safety, and general welfare of the residents of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The facts set forth in the recitals in this Ordinance are true and correct and incorporated herein by this reference.

SECTION 2. Section 8.112.180 (Establishment of a no fireworks safety zone) of Chapter 8.112 (Fireworks) of Title 8 (Health and Safety) of the Grand Terrace Municipal Code is hereby amended and shall now read in its entirety as follows:

8.112.180 Establishment of a no fireworks safety zone.

It shall be unlawful for any person to discharge fireworks of any type within the "Very High Fire Hazard Severity Zone" on the Local Responsibility Area Fire Hazard Severity Zone map as identified by the State Fire Marshal.

SECTION 3. Except as otherwise amended herein, the remainder of Chapter 8.112 (Fireworks) of Title 8 (Health and Safety) of the Grand Terrace Municipal Code shall remain unchanged and in full effect.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions off this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional due to the writs of mandate issued by the Court.

SECTION 5. Effective Date. This ordinance shall take effect thirty (30) days after its adoption. The City Council hereby authorizes and directs the Mayor and the City Clerk to execute this ordinance on behalf of the City of Grand Terrace forthwith upon its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of Grand Terrace at a regular meeting held on the 26th day of June 2025.

Bill Hussey
Mayor

ATTEST:

Daysi Alcocer
City Clerk

APPROVED AS TO FORM:

Adrian R. Guerra
City Attorney