

# FINAL REPORT



SAN BERNARDINO COUNTY  
CIVIL GRAND JURY  
2019–2020

# EDITORIAL COMMITTEE

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The Editorial Committee acknowledges and thanks the following individuals for their hard work and invaluable assistance in the preparation of the Final Report of the 2019-2020 San Bernardino County Grand Jury:

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Norma Grosjean  
Grand Jury Coordinator



December 18, 2020

Honorable Michael A Sachs, Presiding Judge  
Superior Court of California, County of San Bernardino  
247 West Third Street, 11<sup>th</sup> Floor  
San Bernardino, CA 92415-0302

Dear Judge Sachs:

As the foreperson for the San Bernardino County Civil Grand Jury 2019-2020, it is my great honor to represent the members and present to you Judge Sachs as our Presiding Judge, to the San Bernardino County Board of Supervisors (BOS), and most importantly to the citizens of this great county our Final Report as mandated under California Penal Code (PC) §933.

The foundation of our report started back in July 1, 2019 with the dedication of 19 members and continued throughout our term that included the addition of 6 alternates joining us as replacements. We met several challenges throughout our term starting with the untimely death of one of our own, Edward Lizarraga this last January.

With the pandemic hitting this country in March and the shutting down of the State and County, it required us to rethink how we will continue to meet our mandates and produce a meaningful report. We are so grateful to our Presiding Judge, Michael A. Sachs, for taking the time in submitting an Order of the Court to the BOS extending the current empaneled Civil Grand Jury's term from June 30, 2020 to December 31, 2020. As a result of this order the BOS approved Resolution No. 2020-89 (see attached). We would also like to extend our appreciation to Gary McBride, then Chief Executive Officer and his staff, Penny Alexander-Kelley, Chief Assistant County Counsel for assisting us through this process. We are indebted to David Ybarra, Automated Systems Analyst and the County's Information Services Department for providing the much needed technical support to all 19 of us so that we could successfully telecommute from our homes. This allowed us the needed time to complete our investigations with the addition of our alternates, meet the mandates of PC §933, publish an Early Release Report on November 3<sup>rd</sup>, 2020, and finalize our final report to which is a true reflection of all our hard work. Furthermore, we have an educational outreach program set up within the grand jury to provide information to the public regarding the functions of the civil Grand Jury.

I have saved the best for last; our deepest appreciation and gratitude to Norma Grosjean, our Grand Jury Assistant who handled all of our administrative needs and so much more. She balanced the needs of the civil grand jury and the needs of her family with a smile in her voice. Michael Dauber, our Legal Advisor, who provided us the much needed legal guidance that is reflective in our reports.

Thank you to all the jurors, Norma and Michael for contributing your time and dedication in making the 2019-2020 Civil Grand Jury Report successful.

Respectfully,

Lynn K. Pidal, Foreperson  
2019-2020 San Bernardino County Civil Grand Jury

**The 2019-2020 San Bernardino County Civil Grand Jury's  
Final Report is**

**Dedicated to the memory of  
Edward "Ed" Lizarraga  
March 14, 1945 – January 13, 2020**



Edward was sworn in as a member of the San Bernardino County's 2019-2020 Civil Grand Jury on June 28<sup>th</sup>, 2019. We benefited from Ed's dedication, commitment to excellence and it is reflective throughout our Final Report.

He shared with us his love for his wife, family, friends and his passion for fishing.

We truly miss you Ed, the memory of your smile, laughter and insight will be with each of us as we look back on our year of serving on this grand jury.

# SAN BERNARDINO COUNTY 2019-2020 CIVIL GRAND JURY

## Officers



**Lynn Pidal**  
Foreperson  
Highland



**Marcia Waggoner**  
Foreperson Pro Tem  
Redlands



**Bruce Hollenbeck**  
Sergeant at Arms  
Apple Valley



**Jeffrey "Jeff" Chodos**  
Sergeant at Arms Pro Tem  
Rancho Cucamonga



**Cynthia "Cindy" Serrano**  
Secretary  
Victorville



**Enid Carroll**  
Secretary Pro Tem  
Upland

## Members



**Jane Allison**  
Highland



**John Bradley**  
Rancho Cucamonga



**Arthur Baldwin**  
Fontana



**Gladys Hankerson**  
Apple Valley



**Katherine Raybould**  
Yucaipa, CA



**Robert "Bruce" Rawding**  
Redlands



**Daniel Slattery**  
Montclair



**Rosalind Jones**  
Highland



**David Alban**  
Yucaipa, CA



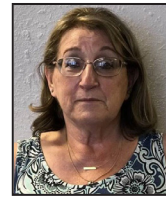
**James "Jimmie" Vong**  
Victorville



**Armando Lopez**  
Chino Hills



**James "Jim" Sandles**  
Rancho Cucamonga



**Jean Biordi**  
Highland

## Former Members



**Moses Agopovich**  
Resigned 7/9/2019



**David Walters**  
Resigned 7/26/2019



**Edward Lizarraga**  
Resigned 1/16/2020



**John Garten-Shuman**  
Resigned 6/2/2020



**Elaine Karn-Gregory**  
Resigned 6/24/2020



**Philip Nugent**  
Resigned 7/15/2020



**Julie Morris**  
Resigned 7/21/2020

Honorable  
**Michael A. Sachs**  
*Presiding Judge*



## Administration:

**MICHAEL DAUBER, DDA**  
*Legal Advisor*

**NORMA GROSJEAN**  
*Grand Jury Coordinator*

**DAVID YBARRA**  
*Automated Systems Analyst*

# **TABLE OF CONTENTS**

## **2019-2020 SAN BERNARDINO COUNTY CIVIL GRAND JURY FINAL REPORT**

### **RESPONSE ACCOUNTABILITY**

Introduction.....	1
City of Chino Code Compliance Division .....	2
City of Rialto Code Enforcement .....	8
City of San Bernardino Code Enforcement .....	18
City of San Bernardino Code Enforcement (Residential Single-Family and Multi-Family Rentals) .....	20
City of San Bernardino Municipal Water Department .....	25
Emergency Ground Ambulance Contract #12-254.....	28
Fiscal Year 2013-2014 Reconciliation Report.....	32
Fiscal Year 2014-2015 Reconciliation Report.....	33
Fiscal Year 2015-2016 Reconciliation Report.....	34
Hesperia Unified School District Sexual Harassment Policy and Procedures .....	35
San Bernardino County Facilities Site Security and Public Safety .....	43
San Bernardino County Sheriff's Department Inmate Welfare Fund.....	49

### **COMPLAINTS**

Introduction.....	59
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## REPORTS

### **Grand Jury Reports**

City of Upland (Early Release).....	60
City of San Bernardino Homelessness.....	78
County Economic Development Department .....	90
Prisons & Jails	
California Institute for Men .....	100
California Institute for Women.....	103
High Desert Detention Center.....	108
Prado Conservation Fire Camp #28 .....	111
The Treatment of Juveniles in the Detention and Assessment Centers .....	114



## **RESPONSE AND ACCOUNTABILITY**

As a result of investigations each year, the Civil Grand Jury provides recommendations to respective agencies to improve service to San Bernardino County citizens and improve agency functions. The Response and Accountability (R & A) Committee performs a Grand Jury function, which is to inquire into various Grand Jury recommendations from previous years to determine if the recommendations have been received and effectively implemented. The specific accountabilities are as follows:

- If no response received from the agency, the R&A Committee issues a written request for a reply with a 30 day response time limit.
- If a response is received from the agency, the R&A Committee validates the response for implementation and effectiveness.
- If a response is received from the agency but not implemented, the R&A Committee will consider additional steps up to and including initiating a new investigation.

The 2019/2020 Grand Jury reviewed recommendations from Grand Jury Report years, 2013-2014, 2014-2015, 2015-2016 to determine if a reply to the Grand Jury recommendation was received from the agency being reviewed and reports from years 2014-2015, 2016-2017, and all of 2017-2018 were analyzed for implementation and effectiveness. The 2019-2020 Grand Jury did not review reports for the year 2018-2019 due to still pending recommendation due dates.



## **CITY OF CHINO CODE COMPLIANCE DIVISION**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2015-2016 Civil Grand Jury final report regarding the City of Chino Code Compliance Division. The purpose of the review was to determine if the City of Chino implemented all Recommendations developed by the FY2015-2016 Civil Grand Jury. The Civil Grand Jury conducted a site visit at the City of Chino Code Compliance Division facility to follow-up on the City of Chino's initial response to the FY2015-2016 Civil Grand Jury.

The following are the:

- Original Civil Grand Jury Report Recommendations
- City of Chino initial response to the Recommendations
- Civil Grand Jury results of a follow-up site visit to the City Chino Code Compliance Division office
- 2019-2020 Civil Grand Jury's Current Status of the Recommendations
- 2019-2020 Civil Grand Jury's Conclusion

### **RECOMMENDATION 16-17:**

Provide additional safety measures for personal self-defense. An expandable baton or a bite stick can protect an officer from being trapped and attacked by an animal or violent person.

### **INITIAL RESPONSE:**

The City of Chino has equipped the code enforcement officers with additional safety equipment. The equipment includes bullet proof vests, pepper spray, respirators, and safety gloves.

### **FOLLOW-UP**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Chino Code Compliance Division initial response resulted in the subsequent status from the City of Chino Code Enforcement:

Expandable batons or bite sticks are not issued due to increased liability exposure. Officers are required to use the services of Animal Control, the Fire Department, and the Police Department for those such situations that warrant their response. Code Compliance Officers demonstrated the Department-issued bullet proof vest (body armor) issued to and worn by Code Compliance officers when out in the field. Pepper spray is carried in a vest pocket for ease of accessibility. Respirator masks and safety gloves, as well as other Personal Protective Equipment (PPE), are carried in the Code Compliance Officer's department vehicle.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of Chino's response is not in compliance with the Recommendation. While additional safety measures for Code Compliance Officer's personal self-defense have been taken, expandable batons or bite sticks are not issued due to increased liability exposure. The inspection by the Civil Grand Jury of equipment provided to Code Compliance Officers (bullet proof vests, pepper spray, respirators, and safety gloves) displayed the compliance to the Recommendation as incomplete.

#### **RECOMMENDATION 16-18:**

Issue an identifiable raid vest for Code Officers. The vest should have the code division name identification on the back. This would be in the event of any necessary interactive investigations or actions with other agencies.

#### **INITIAL RESPONSE:**

The City has purchased and assigned identifiable raid vests for the Code Compliance Officers. The raid vest has the code division identifiable on the front as well as the back of the vest. The vest will be worn when investigating complaints where multiple agencies are present.

#### **FOLLOW-UP**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Chino Code Compliance Division initial response resulted in the subsequent status from the City of Chino Code Enforcement:

Code Compliance Officers displayed the department-issued raid vest issued to and worn by Code Compliance Officers when out in the field. The vest shows CODE COMPLIANCE front and back, as well as the City of Chino emblem on the front.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of Chino's response and demonstration of the raid vest as worn by a Code Compliance Officer confirms that the City of Chino has met the intent of this recommendation.

#### **RECOMMENDATION 16-19:**

Provide full body hazardous materials (HAZMAT) suits and training to protect officers involved in contamination situation investigations.

#### **INITIAL RESPONSE:**

The city has purchased a full hazardous materials suit and has scheduled a HAZMAT Training with Chino Valley Fire District.

#### **FOLLOW-UP**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Chino Code Compliance Division initial response resulted in the subsequent status from the City of Chino Code Enforcement:

Currently all Hazardous Material-related issues are handled by the Fire District. The training program remains in the planning stage due to the constraints of COVID-19, and for the State of California to provide the training guidelines for Code Compliance Officers.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges that the City of Chino Code Compliance Division is not in compliance with this Recommendation. No records of full-body HAZMAT suits being issued to Code Compliance Officers were provided to the Civil Grand Jury. The

Civil Grand Jury also acknowledges that the HAZMAT training program is still in the planning stage.

**RECOMMENDATION 16-20:**

Integrate First Aid training as part of their annual training program.

**INITIAL RESPONSE:**

The City of Chino offers an optional First Aid training. The Deputy Director of the Department that oversees the Code Compliance Division has made the First Aid training mandatory as part of their annual training program.

**FOLLOW-UP**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Chino Code Compliance Division initial response resulted in the subsequent status from the City of Chino Code Enforcement:

Cardiopulmonary Resuscitation (CPR) and First Aid training is standard training assigned to all Code Officers. The annual training is provided through the City of Chino. CPR training is conducted by the Fire District. Personnel are notified by the Human Resource department and registration is conducted on-line. Currently the hands-on training has been impacted by the constraints of COVID-19, with some of the training when practical being conducted on-line.

**CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of Chino's response and has confirmed the First Aid training on the City of Chino website. The Civil Grand Jury further acknowledges that the City of Chino is taking all measures to maintain this training throughout the constraints of COVID-19. The Civil Grand Jury acknowledges that the City of Chino has complied with this Recommendation.

## **RECOMMENDATION 16-21:**

All necessary communication devices issued to Code Compliance Officers and the information documented in them should be accessible by the Code Compliance Division (CCD) management staff and the City of Chino officials if necessary.

### **INITIAL RESPONSE:**

Each Code Compliance Officer is equipped with a cell phone, a radio mounted in their vehicle, and a chest worn mic. Each Code Compliance Officer has a Police Department issued call sign and has direct communication with the Chino Police Department.

### **FOLLOW-UP**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Chino Code Compliance Division initial response resulted in the subsequent status from the City of Chino Code Enforcement:

Code Compliance Officers' radios are linked through the Police Department dispatch. Each officer has their own unique call sign. Each radio has a Hot Button (Red) that is used for emergency situations and the broadcast cannot be overrun by general communication traffic. All Code Compliance Division Officers are required to check out a radio for operations away from the facility. All Code Compliance Division personnel have access to these radios and administration personnel monitor all officer communications. City of Chino officials have access to monitor communications by either going to a Code Compliance Division manager's office, or through an assigned radio. The iPads (Tablet computers) issued to the officers are linked to the Division database which has controlled access by authorized personnel: Police, Code Compliance Division and designated City Management personnel.

### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of Chino's response and action taken. The Civil Grand Jury performed a walk-through inspection at the location of the Code Compliance Division radio bank, and walked through support staff work locations to observe the

ability to monitor communications. The Civil Grand Jury was given a demonstration of the iPad database which has user-controlled access. The Civil Grand Jury acknowledges that the City of Chino has complied with this Recommendation.

## **CONCLUSION**

The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee determined that the status of the FY2015-2016 Civil Grand Jury's report recommendations for the report titled "City of Chino Code Compliance Division" is summarized as follows:

- Recommendation 16-17: Not in compliance with the Recommendation. Specific details concerning Recommendation 16-17 are in the section titled Current Status.
- Recommendation 16-18: Completed as recommended. Specific details concerning Recommendation 16-18 are in the section titled Current Status.
- Recommendation 16-19: Not in compliance with the Recommendation. Specific details concerning Recommendation 16-19 are in the section titled Current Status.
- Recommendation 16-20: Completed as recommended. Specific details concerning Recommendation 16-20 are in the section titled Current Status.
- Recommendation 16-21: Completed as recommended. Specific details concerning Recommendation 16-21 are in the section titled Current Status.

# **CITY OF RIALTO CODE ENFORCEMENT**

## **BACKGROUND**

The FY2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2015-2016 Civil Grand Jury final report regarding the City of Rialto Code Enforcement. The purpose of the review was to determine if the City of Rialto implemented all Recommendations developed by the FY2015-2016 Civil Grand Jury. The Civil Grand Jury conducted a site visit at the City of Rialto Code Enforcement facility to follow-up on the City of Rialto's initial response to the Grand Jury. The following are the:

- Original Civil Grand Jury Report Recommendations
- City of Rialto's initial response to the Recommendations
- Civil Grand Jury results of a follow-up site visit to the City of Rialto Code Enforcement Facilities
- FY2019-2020 Civil Grand Jury's Current Status of the Recommendations
- FY2019-2020 Civil Grand Jury's Conclusion

## **RECOMMENDATION 16-22:**

Integrate a bi-annual training course on First Aid procedures.

### **INITIAL RESPONSE:**

#### **First Aid/CPR Training (bi-annual)**

- Staff received training from Rialto Fire in November 2016
- Updated training is pending scheduling for FY 2019/2020
- The delay was due to supervision changes during 2018



#### **FOLLOW-UP:**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:

1. City Fire provides First Aid/CPR training to employees and the public. This training was scheduled for March 2020 but cancelled by City Fire due to COVID-19 constraints.
2. Per the Community Compliance Division, the goal is to maintain CPR training every year and First Aid training every other year. Currently, personnel training logs regarding other areas are maintained and list:
  - a. Date of training
  - b. Training (Course) topic
  - c. Training organizer
  - d. Training location
  - e. Hours (expected time to complete the Training)
3. First Aid/CPR training outline or materials were not provided to the Civil Grand Jury.

#### **CURRENT STATUS:**

The FY2019-2020 San Bernardino County Civil Grand Jury acknowledges that the training course for First Aid procedures for Code Enforcement Officers is currently not in compliance with the Recommendation. Only an overview for future training could be provided at this time. In summary, it is acknowledged by the FY2019-2020 San Bernardino County Civil Grand Jury that while the City of Rialto's planned efforts to date display an earnest effort to create and implement a formal First Aid/CPR training program for Code Enforcement Officers, a mature formal program does not exist.

#### **RECOMMENDATION 16-23:**

Provide an expandable baton or bite stick for self-defense.

#### INITIAL RESPONSE:

Bite Sticks / ASPs: Officers are not issued expandable batons or bite sticks due to increased liability exposure. Instead, Community Compliance Officers are trained and encouraged to de-escalate situations and/or request Police Department assistance. Community Compliance Officers are equipped with police radios and can request assistance from emergency dispatchers at any time.

#### FOLLOW-UP:

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:

1. Rialto Code Enforcement Officers attended training through the California Association of Code Enforcement Officers (CACEO) that included “verbal judo” – a de-escalation process. A flyer was shown describing a future Crisis Intervention course offered by CACEO. However, the dates were not confirmed due to COVID-19 constraints.
2. De-escalation guidelines are included in the City of Rialto’s Community Compliance Division Policy and Procedures Manual under the section titled Community Compliance Officer Safety, sub-section People Concerns. All Code Enforcement Officers are required to read the Manual and sign an authorization that they have received and read the Manual.
3. Officers have radios available for use when working in the field. The radios are linked to police dispatch, and each officer has a unique call sign assigned to them. The radios are standard police issue, and have a priority “red” button that prevents others from talking over them when in a critical situation and assistance is needed. The guidelines for the use of radios is located in the City of Rialto’s Community Compliance Division Policy and Procedures Manual under the section titled Code Enforcement Division Policies, sub-section 200 – Use of Radios.

#### CURRENT STATUS:

The FY2019-2020 San Bernardino County Civil Grand Jury acknowledges that Code Enforcement Officers did not comply with the Recommendation as expandable batons or bite sticks are not issued due to increased liability exposure. It is further acknowledged by the San Bernardino County Civil Grand Jury that the training course for Situational De-Escalation for Code Enforcement Officers is currently being structured into a mature program. This training relies on both the schedule of the California Association of Code Enforcement Officers, which is being affected by the current COVID-19 constraints, and the City of Rialto's Community Compliance Division Policy and Procedures Manual. The San Bernardino County Civil Grand Jury acknowledges that the City of Rialto presented training programs regarding Crisis Intervention, situational de-escalation, and use of police radios in a directed effort to enhance Code Enforcement Officer safety and effectivity.

#### RECOMMENDATION 16-24:

Supply full body HAZMAT-type suits in addition to goggles and shoe covers to use during dangerous, unsafe, drug-related, or health hazard investigations and inspections.

#### INITIAL RESPONSE:

HAZMAT Equipment — The Rialto Fire Department responds and is the primary department for any hazard material type of incident.

- Officers have been issued gloves and N95-rated respirator masks.
- Full body suits are only utilized by the Rialto Fire Department
- Goggles — currently ordered
- Shoe covers — currently ordered

#### FOLLOW-UP:

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:

1. Full HAZMAT encapsulated body suits are used by the Fire Department only. If a site inspection is considered a hazardous situation, the Fire Department is dispatched.
2. Personal Protective Equipment (PPE) including gloves, respirator masks, shoe covers and HAZMAT coveralls are available for use by Code Enforcement Officers when locations appear to be a potential hazardous situation.
3. Gloves, masks, goggles and shoe covers are maintained in a common supply locker and are also in each Code Enforcement Officer's vehicle.

#### **CURRENT STATUS:**

The FY2019-2020 San Bernardino County Civil Grand Jury acknowledges the City of Rialto Code Enforcement did not comply with the Recommendation. The City of Rialto Code Enforcement current status is that the Rialto Fire Department responds to and is the primary department for any hazardous material type of incident. The Civil Grand Jury also acknowledges that HAZMAT coverall type suits in addition to goggles and shoe covers are available for use by the Code Enforcement Officers as warranted by specific situations (ie: during dangerous, unsafe, drug-related, or health hazard investigations and inspections).

#### **RECOMMENDATION 16-25:**

Erect concrete posts or vehicle barriers between the parking lot and the Rialto Development Services Division (RDSD) building to provide protection; and

#### **RECOMMENDATION 16-26:**

Install bullet proof, one-way vision glass at the Code Enforcement Offices.

#### **INITIAL RESPONSE (16-25 and 16-26 combined response):**

The Code Enforcement Offices were moved when the division name changed to Community Compliance.

- The offices are not open to the public and are locked at all times. The only way to access is by automatic FOB.
- Parking lot is open to the public, but is limited. The Police Department assessed the building and found no valid need for bullet proof glass since the office change.
- The offices are shared with the City's Confidential Information Technology Division.
- The City continually assesses the need for future Code Compliance Offices in a different area of the city complex / campus.

#### FOLLOW-UP:

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:

1. The safety issues with city buildings has been ongoing due to aging infrastructure. It didn't make sense to invest in barriers and bullet-proof materials when there is another move in the works when the new Municipal Center is constructed in the future.
2. The City of Rialto Code Enforcement office was relocated from the old RDSD building to the new location that is isolated, does not have a signed entrance to the parking lot or building, has limited access to the public, and is secure. Key FOBs (keyless entry) are required for entrance; other access doors can only be opened from the inside of the building.
3. An assessment of the relocated Code Enforcement offices and building found no valid need for bullet proof glass or concrete barriers.

#### CURRENT STATUS:

The FY2019-2020 San Bernardino County Civil Grand Jury visited the old and new locations of the City of Rialto Code Enforcement offices. The San Bernardino County Civil Grand Jury acknowledges that while the City of Rialto did not comply with the Recommendation, the

relocation of the Code Enforcement offices has substantial merit in eliminating the need for concrete barriers and bullet proof glass to support Code Enforcement officer safety. The San Bernardino County Civil Grand Jury acknowledges that the current location is not easily accessible by the public, the building location is not easily viewed from the street, the building address cannot be seen from the street, the location is protected by a lockable gate, personnel entrances are controlled by key FOB (electronic keyless entry) at the main entrance, and other access doors can only be opened from inside the building.

#### **RECOMMENDATION 16-27:**

Provide Smartphones or iPads linked to the Code Enforcement computer system.

#### **INITIAL RESPONSE:**

- Officers have all been issued Smart Phones
- Officers were issued iPads. However, in May 2019, due to City IT-related challenges, the iPads were no longer available. The newly-hired City IT team has addressed iPad compatibility-related issues and officers will be reissued this technology in the near future.
- Officers are issued police digital radios. Officers operate on the main police channel 2Rialt01 for direct connection to police dispatch.

#### **FOLLOW-UP:**

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:

1. Code Enforcement Officers are issued Smart Phones and they are carried on their person when on duty.
2. Code Enforcement Officers are issued police radios that are linked to police dispatch and each officer has been assigned their specific call sign.

3. iPads were previously issued and found to be incompatible with the code compliance software used for case management. The IT team is working on resolving this issue.

#### CURRENT STATUS:

The FY2019-2020 San Bernardino County Civil Grand Jury acknowledges that the City of Rialto Code Enforcement has complied with the Recommendation in that Smart Phones are in operation as standard equipment available to Code Enforcement Officers. The Smart Phones and radios were displayed to the San Bernardino County Civil Grand Jury. While the IT Division is working to resolve the compatibility issue with the iPads and the software used, there was no timeframe provided as to when it will be resolved. Code Compliance Officers continue to return to the office to input case management data into their software system using desktop computers.

#### RECOMMENDATION 16-28:

Issue bright colored raid vests to more easily identify Code Officers during a Police, Fire, DEA, or Homeland Security interaction scene.

#### INITIAL RESPONSE:

##### Policy & Procedure Manual (SOP)

- The newly-hired code compliance supervisor developed a Code Compliance Manual that incorporates standard operating procedures, officer safety precautions, and policies for equipment.
- Currently, the manual is in final review with the City Attorney's Office for adoption and implementation.

#### FOLLOW-UP:

The 2019-2020 San Bernardino County Civil Grand Jury Follow-Up to the City of Rialto Code Enforcement initial response resulted in the subsequent status from the City of Rialto Code Enforcement:



1. Code Enforcement Officers are issued a load-bearing bullet proof raid vest (body armor) that has reflective “CODE ENFORCEMENT” lettering front and back, with the City of Rialto emblem on the front. This vest is to be worn when on duty outside of the Code Enforcement office building.
2. Code Enforcement Officers are issued a bright yellow Class 2 safety vest with reflective markings that has “CODE ENFORCEMENT” lettering on the front and back. This is to be worn over the raid vests during multi-agency or multi-departmental situational response locations.

#### **CURRENT STATUS:**

The FY2019-2020 San Bernardino County Civil Grand Jury acknowledges that the City of Rialto Code Enforcement has complied with the Recommendation. Bright colored raid vests, to easier identify Code Officers during a Police, Fire, Drug Enforcement Administration (DEA), or Department of Homeland Security (DHS) interaction scene, are issued to Code Enforcement Officers as standard equipment. The equipment was displayed to the San Bernardino County Civil Grand Jury, and officers walking about the Code Enforcement offices were observed wearing the basic body armor load-bearing raid vests. Additionally, the San Bernardino County Civil Grand Jury was shown the standard Class 2 safety vest issued to Code Enforcement Officers. Also, the San Bernardino County Civil Grand Jury was provided a copy of the latest version of the “City of Rialto Community Compliance Division Policy & Procedure Manual” (Rev 09/20).

#### **CONCLUSION**

The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee determined that the status of the FY2015-2016 Civil Grand Jury's Report Recommendations for the report titled "City of Rialto Code Enforcement" is summarized as follows:

- Recommendation 16-22: Not in compliance with the Recommendation. Specific details concerning Recommendation 16-22 are in the section titled Current Status.

- Recommendation 16-23: Not in compliance with the Recommendation. Specific details concerning Recommendation 16-23 are in the section titled Current Status.
- Recommendation 16-24: Not in compliance with the Recommendation. Specific details concerning Recommendation 16-24 are in the section titled Current Status.
- Recommendations 16-25 and 16-26 were combined in the City of Rialto Code Enforcement's response to these Recommendations: Not in compliance with the Recommendations. Specific details concerning Recommendation 16-25 and 16-26 are in the section titled Current Status.
- Recommendation 16-27: Completed as recommended. Specific details concerning Recommendation 16-27 are in the section titled Current Status.
- Recommendation 16-28: Completed as recommended. Specific details concerning Recommendation 16-28 are in the section titled Current Status.

# **CITY OF SAN BERNARDINO CODE ENFORCEMENT**

## **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2017-2018 Civil Grand Jury final report regarding the City of San Bernardino Code Enforcement. The purpose of the review was to determine if the City of San Bernardino implemented all Recommendations developed by the FY2017-2018 Civil Grand Jury. The Civil Grand Jury conducted a site visit at the City of San Bernardino Code Enforcement Department offices to follow-up on the City of San Bernardino's initial response to the Civil Grand Jury. The following are the:

- FY2017-2018 Original Civil Grand Jury Report Recommendations
- City of San Bernardino's initial response to the Recommendations
- 2019-2020 Civil Grand Jury results of a follow-up site visit to the City of San Bernardino Code Enforcement Department
- 2019-2020 Civil Grand Jury's Current Status of the Recommendations
- 2019-2020 Civil Grand Jury's Conclusion

## **RECOMMENDATION 18-1:**

Prepare a quarterly report of Code Enforcement complaints received, Code Enforcement complaints investigated, the number of Code Enforcement violations issued, the number of violations resolved, and the number of unresolved violations. Submit the report to the City Manager for presentation to the City Council and Mayor.

## **INITIAL RESPONSE:**

The City appreciates this recommendation and expects to implement it in the coming months.

#### FOLLOW-UP:

The 2019-2020 San Bernardino County Civil Grand Jury follow-up to the City of San Bernardino Code Enforcement Department initial response resulted in the subsequent status from the City of San Bernardino Code Enforcement Department:

The City of San Bernardino Code Enforcement Department cannot provide copies of these reports. There is no indication that a quarterly report of Code Enforcement complaints was ever initiated. Additionally, such a report was never forwarded to the City Manager or to the City Council. Currently, due to departmental down-sizing, they do not have the manpower to do this work. However, the Code Enforcement Department does see value in a report of this nature.

#### CURRENT STATUS:

The FY2019-2020 Civil Grand Jury acknowledges the City of San Bernardino Code Enforcement Department's response as not in compliance with the Recommendation. The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee determined that the status of the FY2017-2018 Civil Grand Jury's Report Recommendations for the report titled "City of San Bernardino Code Enforcement" is summarized as follows:

- Recommendation 18-1: Not in compliance with the Recommendation.

## **CITY OF SAN BERNARDINO CODE ENFORCEMENT (RESIDENTIAL SINGLE-FAMILY AND MULTI-FAMILY RENTALS)**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2014-2015 Civil Grand Jury final report regarding the City of San Bernardino Code Enforcement Department. The purpose of the review was to determine if the City of San Bernardino implemented all Recommendations developed by the FY2014-2015 Civil Grand Jury. The Civil Grand Jury conducted a site visit at the City of San Bernardino Code Enforcement Department offices to follow-up on the City of San Bernardino's initial response to the Civil Grand Jury.

The following are the:

- FY2014-2015 Original Civil Grand Jury Report Recommendations
- City of San Bernardino's initial response to the Recommendations
- 2019-2020 Civil Grand Jury results of a follow-up site visit to the City of San Bernardino Code Enforcement Department
- 2019-2020 Civil Grand Jury's Current Status of the Recommendations
- 2019-2020 Civil Grand Jury's Conclusion

### **RECOMMENDATION 15-11:**

Establish a procedure that upon receipt of a business license for multi-family rentals, the property is automatically enrolled into the Annual Fire Protection Program.

#### **INITIAL RESPONSE:**

Business Registration is now providing a weekly submission to County Fire of any multi-family rental business registrations.

#### **FOLLOW-UP:**

The 2019-2020 San Bernardino County Civil Grand Jury follow-up to the City of San Bernardino Code Enforcement Department's initial response resulted in the subsequent status from the City of San Bernardino Code Enforcement Department:

This process between Code Enforcement Department and the Business License Division, which is a part of the Finance Department, is a day-to-day practice. There is no formal procedure. The Business License Division sends a list to the City's Fire Department (currently contracted with the San Bernardino County Fire Department), and County Fire handles enrollment into the Annual Fire Protection Program. Currently, no process or procedure has been formally documented.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of San Bernardino Code Enforcement Department's response is not in compliance with the Recommendation.

No procedure was presented to the Civil Grand Jury that upon receipt of a business license for multi-family rentals, the property is automatically enrolled into the Annual Fire Protection Program.

#### **RECOMMENDATION 15-12:**

Combine the single-family and multi-family rental units' Inspection Departments, resulting in improved communication and cost effectiveness.

#### **INITIAL RESPONSE:**

This Recommendation was implemented two years ago when the program was removed to the Police Department.

#### **FOLLOW-UP:**

The 2019-2020 San Bernardino County Civil Grand Jury follow-up to the City of San Bernardino Code Enforcement Department initial response resulted in the subsequent status from the City of San Bernardino Code Enforcement Department:

The Economic Development Department now includes the Code Enforcement Division. In FY2014-2015, the City of San Bernardino had two different divisions working independently on single-family and multi-family units. Now, one person handles single-family rental unit inspections and another handles multi-family rental unit inspections. Both personnel are assigned to the Code Enforcement Division. During the weekly Code Enforcement staff meetings, inspection information is shared which has improved communication within the Code Enforcement Department.

Code Enforcement is a revenue-generating division, but cost effectiveness is “flat” because with the current staff it is difficult to handle a city the size of San Bernardino.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of San Bernardino Code Enforcement Department’s response is not in compliance with the Recommendation. The previous two Divisions that handled single-family and multi-family rental unit inspections have been combined under the Code Enforcement Division. This restructure has improved communication regarding inspection status, but because of current staffing there is no improvement in cost effectiveness.

#### **RECOMMENDATION 15-13:**

Establish a procedure in which the application for a business license initiates a Code Inspection and Certificate of Occupancy before the issuance of a business license. All fees are to be paid at the time of applying for the business license.

#### **INITIAL RESPONSE:**

The attached Residential Rental Application Acceptance Policy has been implemented.



#### **FOLLOW-UP:**

The 2019-2020 San Bernardino County Civil Grand Jury follow-up to the City of San Bernardino Code Enforcement Department initial response resulted in the subsequent status from the City of San Bernardino Code Enforcement Department:

The City of San Bernardino Code Enforcement Department could not locate the recommended procedures. The Code Enforcement Department needs to look at all procedures related to Code Enforcement, Building Department, and Business Licenses. All three need to meet and coordinate. Currently, there is no procedure addressing that an application for a business license initiates a Code Inspection and Certificate of Occupancy before the issuance of a business license. However, the City Council wants to make Code Enforcement a priority, so this is definitely something that will get done in the future. The newly-hired Building Official has a background in Code Enforcement which will be helpful. Currently, the Development Code is being updated with the intent to streamline these processes.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury acknowledges the City of San Bernardino Code Enforcement Department's response is not in compliance with the Recommendation. There was no procedure presented to the Civil Grand Jury in which the application for a business license initiates a Code Inspection and Certificate of Occupancy before the issuance of a business license, and that fees are to be paid at the time of applying for the business license.

#### **CONCLUSION**

The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee determined that the status of the FY2014-2015 Civil Grand Jury's Report Recommendations for the report titled "City of San Bernardino Code Enforcement" is summarized as follows:

- Recommendation 15-11: Not in compliance with the Recommendation. Specific details concerning Recommendation 15-11 are in the section titled Current Status.

- Recommendation 15-12: Not in compliance with the Recommendation. Specific details concerning Recommendation 15-12 are in the section titled Current Status.
- Recommendation 15-13: Not in compliance with the Recommendation. Specific details concerning Recommendation 15-13 are in the section titled Current Status.

# **CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT**

## **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2017-2018 Civil Grand Jury final report regarding the City of San Bernardino Municipal Water Department (SBMWD). The purpose of the review was to determine if, as stated in their response report to the Grand Jury, the SBMWD implemented all recommendations developed by the FY2017-2018 Grand Jury. The following are the:

- Original Civil Grand Jury report recommendations
- SBMWD initial response to the recommendations
- 2019-2020 Civil Grand Jury's current status of the recommendations

## **ORIGINAL RECOMMENDATION 18-2**

Approve and maintain a current Memorandum of Understanding.

## **INITIAL RESPONSE**

Implemented. A valid Memorandum of Understanding was entered into in May 2018. This Memorandum will remain in place until 2023. The City intends to ensure that a valid Memorandum of Understanding is negotiated and finalized prior to the expiration of the current Memorandum.

## **CURRENT STATUS**

The updated memorandum of understanding was found on the SBMWD website:

<https://www.sbmwd.org/DocumentCenter/View/6351/2nd-Amendment-to-General-Unit-Employee-Memorandum-of-Understanding-PDF?bidId=>

## **ORIGINAL RECOMMENDATION 18-3**

Review all Department policies and Memorandum of Understanding on an annual basis with employees. Employees should acknowledge receipt of this review.

### **INITIAL RESPONSE**

Implemented. The Municipal Water Department updated and added twenty-four (24) Policies and Procedures in May 2018. Each of such Policies and Procedures was reviewed and acknowledged by each Department employee. Additionally, since then, at least forty-one (41) Policies and Procedures have been updated and reviewed. This is an ongoing effort and the water Department will continue to review and update the remaining Policies and Procedures as recommended by the Grand Jury. Moreover, the Department is adding an annual review policy of all Policies and Procedures, with Employee acknowledgment, as further recommended by the Grand Jury.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-3 resulted in the subsequent response from the County of San Bernardino:

The City of San Bernardino Municipal Water Department (Water Department) currently has a policy document that serves as an “introduction” to its Policies and Procedures. This document provides a general overview of Water Department policies including process and authority of maintaining its Policies and Procedures. It does not specify a timeframe for reviews. This document has been revised to serve as a stand-alone policy that includes a requirement for annual review of all Water Department Policies and Procedures and also requires acknowledgement of the Policies and Procedures by all Water Department Employees. This revised policy will be presented to the City Water Board for approval and implementation at its February 11, 2020, regular meeting. Please see attached final and redline versions of water Department Policy 10.020 – ANNUAL POLICIES AND PROCEDURES REVIEW.

## **CURRENT STATUS**

The employee signed receipt of review of the Memorandum of Understanding can be found on the SBMWD website:

<https://www.sbmwd.org/DocumentCenter/View/6351/2nd-Amendment-to-General-Unit-Employee-Memorandum-of-Understanding-PDF?bidId=>

Approximately 64 policies and procedures were updated in 2018 or 2019 and can be found on the website: <https://www.sbmwd.org/Search?searchPhrase=policies>.

Additionally, the Civil Grand Jury verified SBMWD did submit, approve and implement a stand-alone policy that includes a requirement for annual review of all Water Department Policies and Procedures and also requires acknowledgement of the Policies and Procedures by all SBMWD employees.

## **CONCLUSION**

The 2019-2020 Civil Grand Jury Response and Accountability Committee finds SBMWD appropriately responded and implemented the recommendations of the FY2017-2018 Civil Grand Jury Final Report. No further action is necessary.

## **EMERGENCY GROUND AMBULANCE CONTRACT #12-254**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the Grand Jury's Final Reports for FY2017-2018 regarding the San Bernardino County Emergency Ground Ambulance Contract #12-254. The purpose of the review was to determine if the Inland Counties Emergency Medical Agency (ICEMA) implemented all recommendations developed by the FY2017-2018 Grand Jury. The 2019-2020 Civil Grand Jury requested implementation/response information from ICEMA via letter, and ICEMA responded to that request.

The following are the:

- Original Civil Grand Jury report recommendation
- ICEMA initial response to the recommendation
- ICEMA response to the Civil Grand Jury inquiry
- 2019-2020 Civil Grand Jury's current status of the recommendation
- 2019-2020 Civil Grand Jury's conclusion

### **RECOMMENDATION 18-12**

Create one Exclusive Operating Area (EOA) that covers the entire County. This would allow one provider to cover the County and require the provider to service populated and rural areas. If one EOA were created to encompass the remaining sixteen EOAs, the current provider could retain grandfathering protection.

### **INITIAL RESPONSE**

State Law prohibits grandfathering protection as described by the grand jury, therefore ICEMA cannot create one EOA that covers the entire county in the foreseeable future as certain contract providers have contractual rights to provide services in their respective areas for varying lengths of time. As these contracts head toward expiration, ICEMA will consider moving toward creating one EOA that covers the entire county.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-12 resulted in the subsequent response from the County of San Bernardino:

Question Reference 18-12 There is no progress to report due to State law continuing to prohibit grandfathering protection as described in the previous response to the Grand Jury Report. Several of the current ambulance providers have either California Health or Safety Code, Sections 1797.224 or 1797.226 conferred, or contractual rights to provide services that remain intact until specific census metrics are reached, which will not occur in the foreseeable future.

#### **CURRENT STATUS**

The 2019-20 Civil Grand Jury acknowledges there has been no progress by ICEMA on the recommendations developed by the FY2017-2018 Civil Grand Jury due to state law provisions prohibiting grandfathering and due to the contractual rights of the ambulance providers to provide services in their respective areas for varying lengths of time.

#### **RECOMMENDATION 18-13**

Create a Request for Proposal (RFP) for a new service provider.

#### **INITIAL RESPONSE**

As the process moves forward, ICEMA will work to identify the approach that best serves the public.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-13 resulted in the subsequent response from the County of San Bernardino:



## **CURRENT STATUS**

The 2019-20 Civil Grand Jury acknowledges the response of ICEMA. There is no RFP process in place and there will not be one until progress is made on Recommendation 18-12.

## **RECOMMENDATION 18-14**

Present a new contract to the Board of Supervisors.

## **INITIAL RESPONSE**

A contract would not be presented to the Board of Supervisors but rather the ICEMA Board of Directors. This would occur following a resolution to the issues outlined in the responses.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-14 resulted in the subsequent response from the County of San Bernardino:

No, as there is no resolution to 18-12 and 18-13. On March 19, 2019, Contract 12-254 (Amendment No.8: Item 46) was amended to extend the agreement three (3) years, for the period of April 1, 2019 through March 31, 2022.

## **CURRENT STATUS**

The 2019-20 San Bernardino County Civil Grand Jury acknowledges the response from ICEMA. On March 19, 2019 the ICEMA Board of Directors approved a three year extension for Contract 12-254 until March 31, 2022.

## **CONCLUSION**

The 2019-20 Civil Grand Jury acknowledges the responses from ICEMA and there has been no progress by ICEMA on the recommendations developed by the FY2017-2018 Civil Grand Jury due to state law provisions prohibiting grandfathering and due to the contractual rights of the ambulance providers to provide services in their respective areas for varying lengths of time.

Consequently, there is no RFP process in place. Lastly, on March 19, 2019 the ICEMA Board of

Directors approved a three year extension for Contract 12-254 (as amended) until March 31, 2022.

## **FISCAL YEAR 2013-2014 RECONCILIATION REPORT**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the Grand Jury's Final Reports for FY2013-2014, which are:

1. San Bernardino Associated Governments: Freeway Service Patrol
2. San Bernardino County Sheriff's Department: Detention Centers
3. San Bernardino County Sheriff's Office: Ethics Procedures
4. San Bernardino County Sheriff's Office: Mobile Command Unit
5. San Bernardino County Sheriff's Office: Specialized Investigations Division
6. Victor Valley Unified High School District: Equipment Tracking and Inventory

The purpose of the review was to determine if all responses were received for Civil Grand Jury FY2013-2014. The individual reports were not reviewed for effectiveness and implementation. As stated, the sole purpose of this review is to determine if all responses have been received.

### **CURRENT STATUS:**

All required responses for the FY2013-14 Civil Grand Jury Report have been received.

## **FISCAL YEAR 2014-2015 RECONCILIATION REPORT**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the Grand Jury's Final Reports for FY2014-2015, which are:

1. San Bernardino County Administrative Office: Bloomington Sewer Contract 14-71
2. Fontana Unified School District/Victor Valley Union High School District: Bullying
3. City of Colton: Governance
4. City of San Bernardino: Code Enforcement
5. San Bernardino County Sheriff/Coroner Department Juvenile and Adult Detention Center
6. San Bernardino County Administrative Office: Devore Animal Shelter
7. San Bernardino Police Department/Fontana Police Department: Registered Sex Offender Websites
8. San Bernardino City: Animal Shelter
9. San Bernardino County Sheriff's Department: Aviation and Towing Investigations

The purpose of the review was to determine if all responses were received for Civil Grand Jury FY2014-2015. The individual reports were not reviewed for effectiveness and implementation. As stated, the sole purpose of this review is to determine if all responses have been received.

### **CURRENT STATUS:**

All required responses for the FY2014-2015 Civil Grand Jury Report have been received.

## **FISCAL YEAR 2015-2016 RECONCILIATION REPORT**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the Grand Jury's Final 7 Reports for FY 2015-2016, which are:

1. Redlands Unified School District and Rialto Unified School District:  
CAL-Cards
2. San Bernardino County Department of Children and Family Services:  
Children and Family Services
3. City of Chino: City of Chino Code Compliance Division
4. City of Rialto: City of Rialto Code Enforcement
5. San Bernardino County Sheriff-Coroner: San Bernardino County Sheriff's  
Department Forensic Lab and Coroner's Office
6. San Bernardino County Superintendent of Schools, Colton Joint Unified  
School District, and Redlands Unified School District: Transgender  
Support in Schools
7. Housing Authority of San Bernardino County: Valencia Grove  
Community Project

The purpose of the review was to determine if all responses were received for Civil Grand Jury FY2015-2016. The individual reports were not reviewed for effectiveness and implementation. As stated, the sole purpose of this review is to determine if all responses have been received.

### **CURRENT STATUS:**

All reports for the FY2015-16 Civil Grand Jury have received a response.

# **HESPERIA UNIFIED SCHOOL DISTRICT**

## **SEXUAL HARASSMENT POLICY AND PROCEDURES**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2017-2018 Grand Jury final report regarding Hesperia Unified School District (HUSD). The purpose of the review was to determine if the Hesperia Unified School District implemented all the recommendations developed by the FY2017-2018 Grand Jury. The following are:

- Original FY2017-2018 Grand Jury -Report recommendations
- Original HUSD initial response to the recommendations
- HUSD responses
- Current status

### **ORIGINAL RECOMMENDATION 18-4**

Provide all District personnel with training on sexual harassment, sexual assault and sexual battery, defining the elements of each in accordance with Penal Code 243.4.\* Training should include a third party expert such as personnel from the Crimes Against Children Unit, San Bernardino County Sheriff's Department.

#### **INITIAL RESPONSE:**

We are currently exploring the available training to include the elements of Penal Code 243.4\* and mandated reporting requirements under Penal Code 11166\*\*. We hope to have a training schedule in place within the 60 days.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-4 resulted in the subsequent response from the County of San Bernardino:

YES. Pursuant to Hesperia's response to the Grand Jury's recommendation, the District provided training to all District personnel. The training included the elements of Penal Code section 243.4\* and mandated reporting requirements under Penal Code section 11166\*\*. The initial training was on January 8, 2019. The training was provided to District and school administrators on January 8, 2019 and January 11, 2019, at the District office. Enclosed is the PowerPoint and handouts provided for the training. Administrators then provided the training materials to their respective staff, including in District departments and all school sites. Enclosed are sign-in sheets showing all District personnel received the training. As required by law, all District staff also attend anti-harassment training provided online via [targetsolutions.com](http://targetsolutions.com).

#### CURRENT STATUS

The FY2019-2020 Civil Grand Jury acknowledges that HUSD has provided a copy of the Power Point presentation and copies of the sign-in sheets of the initial training of all District personnel dated January 8, 2019 through May 1, 2019. The 2019-2020 Civil Grand Jury is satisfied the HUSD complied with this recommendation.

#### **ORIGINAL RECOMMENDATION 18-5**

Follow a consistent policy regarding the use of campus surveillance cameras, the length of time recordings kept, and the location of stored recordings.

#### INITIAL RESPONSE

As noted above, we are verifying the capabilities of our camera system and intend to retain recordings as long as feasible, while establishing guidelines for bookmarking discrete events to be kept as long as needed.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-5 resulted in the subsequent response from the County of San Bernardino:

Enclosed for your reference is Hesperia's Board Policy ("BP") and Administrative Regulation ("AR") 3515, Campus Security, which generally address surveillance systems. Generally, motion activated surveillance footage is maintained. The retention time of security recordings depend on the technical capacities of the security system at that time. For additional reference, all of Hesperia's policies are available at: <https://www.hesperiausd.org/o/husd/page/board-policies--56>.

#### **CURRENT STATUS**

When the 2019-2020 Civil Grand Jury reviewed Hesperia Board Policy (BP) and Administrative Regulation (AR) 3515, no reference was found as to how long security recordings are retained or where the recordings are stored. The most current response from HUSD states that security recordings are retained; however, BP 3515 does not refer to a storage timeframe.

The FY2019-2020 Civil Grand Jury acknowledges HUSD provided a copy of the BP and AR 3515 on- campus security for their review. These policies include a section titled Surveillance Systems. The reviewed BP and AR 3515 have a policy adopted date of August 5, 2019.

#### **ORIGINAL RECOMMENDATION 18-6**

Develop a checklist of the steps to be taken when a complaint of sexual harassment, discrimination or bullying is received in order that all requirements of AR 5145.7 (b) School-Level Complaint Process/Grievance Procedure are met.

#### **INITIAL RESPONSE**

A checklist is being developed and appropriate training will be provided to our administrative staff consistent with the policies we develop.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-6 resulted in the subsequent response from the County of San Bernardino:



Yes. Enclosed for your reference is Hesperia's Board Policy ("BP") and Administrative Regulation ("AR") 5145.7, Sexual Harassment, which provided a step-by-step guide for reporting complaints of sexual harassment and manner in which Hesperia investigates and resolves sexual harassment complaints. These complaints may also be resolved under Hesperia's BP and AR 1312.3, Uniform Complaint Procedures, enclosed. Finally, Hesperia's BP 5131.2, Bullying is enclosed for your reference.

#### **CURRENT STATUS**

The 2019-2020 Civil Grand Jury found a step-by-step guide for filing a sexual harassment complaint in AR 5145.7. The written process in AR 5145.7c located in "Reporting Process and Complaint Investigation and Resolution" directs school employees who receive sexual harassment complaints from students to follow this process and the guidelines as outlined in AR 1312.3.

The 2019-2020 Civil Grand Jury acknowledges HUSD provided copies of BP and AR 5145.7, Sexual Harassment, BP 5131.2, Bullying, and BP and AR 1312.3, Uniform Complaint Process, for review. Revision dates for HUSD BP and AR are as follows:

- BP and AR 5145.7 were revised by HUSD on August 5, 2019
- BP 5131.2 was revised by the HUSD on August 5, 2019
- BP and AR 1312.3 were revised by HUSD on August 5, 2019

#### **ORIGINAL RECOMMENDATION 18-7**

Recruit and hire a female officer for the Hesperia Unified School District Police Department.

#### **INITIAL RESPONSE**

We are currently interviewing for an open law enforcement position and hope to have a female officer on our staff in the near future.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-7 resulted in the subsequent response from the County of San Bernardino.

#### CURRENT STATUS

The FY2019-2020 Civil Grand Jury acknowledges HUSD hired a female officer as of August 12, 2019.

#### **ORIGINAL RECOMMENDATION 18-10**

Develop age-appropriate training specific to HUSD students regarding student on-student offensive touching behavior and conduct training sessions for the entire student body.

#### INITIAL RESPONSE

As discussed herein, training will be provided to parents and students with information being disseminated at PTA meetings, homeroom or other similar setting during the instructional day, and emphasized in each school's Parents/Student Handbook.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-10 resulted in the subsequent response from the County of San Bernardino:

In process. Hesperia has created a Social and Emotional Learning ("SEL") committee, which is currently working to establish procedures and protocols to implement social emotional strategies to help students show empathy for others, maintain healthy relationships and make positive decisions. Once SEL committee work is completed students will have a multitude of interventions at their disposal. SEL interventions will be available to parents and students on school and Hesperia websites. The Hesperia procedure handbook has been developed for parents and students. Furthermore, pursuant to Hesperia's response to the Grand Jury's recommendation, information regarding sexual harassment is disseminated in various mediums and emphasized in parent and student handbooks and notices. Enclosed for your reference is the

annual parent and student handbook, which provides information regarding Hesperia's sexual harassment procedures. Also enclosed for your reference is an annual classroom notice, which notifies students and parents and guardians about discrimination, bullying and sexual harassment. We have also enclosed an annual "Notification of Parents' Rights," which address sexual assault, battery, and harassment, and related procedures. Hesperia's sexual harassment policy is also on its website and all schools' websites. Also enclosed are SEL committee meeting agendas.

## **CURRENT STATUS**

The 2019-2020 Civil Grand Jury acknowledges the response from HUSD, that they are not yet in compliance with Recommendation 18-10. HUSD have developed a Social and Emotional Learning (SEL) committee that will design a protocol to provide remedies for students dealing with issues associated with sexual harassment. HUSD did not submit a completion date for the SEL committee protocol.

The 2019-2020 Civil Grand Jury acknowledges HUSD provided copies of the SEL Committee meeting sign-in sheets. The FY2019-2020 Civil Grand Jury acknowledges HUSD provided a copy of their Notification of Parents' Rights and a copy of their Annual Parent and Student Handbook. The 2019-2020 Civil Grand Jury confirms that the Annual Parent and Student Handbook has a section titled Sexual Harassment that describes HUSD policy regarding sexual harassment and sexual battery. This section includes the district, parent, and student actions and remedies regarding sexual harassment.

The Annual Parent and Student Handbook has a revision date of August 2, 2019.

## **CONCLUSION**

The 2019-2020 Civil Grand Jury Response and Accountability Committee determined that the status of the FY2017-2018 Civil Grand Jury's recommendations for the report titled Hesperia Unified School District Sexual Harassment Policy and Procedures is as follows:

- Recommendation 18 – 4: Completed as recommended
- Recommendation 18 – 5: Not completed as recommended
- Recommendation 18 – 6: Completed as recommended
- Recommendation 18 – 7: Completed as recommended
- Recommendation 18-10: In process with no completion date provided

Note that Recommendations 18-8, 18-9 and 18-11 were not included in this Response and Accountability report since Hesperia Unified School District did not agree with the FY2017-2018 Civil Grand Jury's recommendation.

The specific details concerning the 2019-2020 Civil Grand Jury's analysis of Hesperia Unified School District responses to the Grand Jury's questions are in the section titled Current Status of each recommendation reviewed.

**\* California Penal Code Section 243.4.**

Refer To:

PART 1. OF CRIMES AND PUNISHMENTS [25 - 680.4]

(Part 1 enacted 1872)

TITLE 8. OF CRIMES AGAINST THE PERSON [187 - 248]

(Title 8 enacted 1872)

CHAPTER 9. Assault and Battery [240 - 248]

(Chapter 9 enacted 1872)

**\*\* California Penal Code 11166.**

Refer To:

PART 4. PREVENTION OF CRIMES AND APPREHENSION OF CRIMINALS [11006 - 14315]

(Part 4 added by Stats. 1953, Ch. 1385)

TITLE 1. INVESTIGATION AND CONTROL OF CRIMES AND CRIMINALS [11006 - 11482]

(Title 1 added by Stats. 1953, Ch. 1385)

CHAPTER 2. Control of Crimes and Criminals [11150 - 11199.5]

(Chapter 2 added by Stats. 1953, Ch. 70)

ARTICLE 2.5. Child Abuse and Neglect Reporting Act [11164 - 11174.3]

(Heading of Article 2.5 amended by Stats. 1987, Ch. 1444, Sec. 1.

# **SAN BERNARDINO COUNTY**

## **FACILITIES, SITE SECURITY AND PUBLIC SAFETY**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the 2016-2017 San Bernardino County Civil Grand Jury final report regarding the San Bernardino County Facilities, Site Security, and Public Safety Investigation. The purpose of the review was to determine if the San Bernardino County implemented all recommendations developed by the 2016-2017 San Bernardino County Civil Grand Jury. San Bernardino County responded to the 2019-2020 San Bernardino County Civil Grand Jury's request on December 6, 2019 and on May 11, 2020.

The following is the original Grand Jury Reports Recommendation, the San Bernardino County initial response to the recommendation, the 2019-2020 Civil Grand Jury request for additional information, the San Bernardino County response to the Grand Jury inquiry, the 2019-2020 Civil Grand Jury's Current Status of the recommendation and conclusion.

### **RECOMMENDATION 17-43:**

Best practice standards as outlined by Department of Homeland Security and Interagency Security Committee be continued in all phases of this project.

### **INITIAL RESPONSE:**

The County is implementing this recommendation. Future building assessments will be qualitative and include threat definition/identification, determination of critical assets, a vulnerability analysis, security program analysis, and operational analysis. The assessments are based on Department of Homeland Security standards and guidelines with input from local law enforcement and subject-matter expert partners.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-43 resulted in the subsequent response from the County of San Bernardino.

**RESPONSE:**

The County has implemented this recommendation. All building assessments that are conducted by the contract consultant are qualitative and include threat definition/identification, determination of critical assets, a vulnerability analysis, security program analysis, and operational analysis. The assessments are based on Department of Homeland Security standards and guidelines with input from local law enforcement and the County's in-house subject-matter experts.

**CURRENT STATUS:**

The 2019 – 2020 San Bernardino County Civil Grand Jury acknowledges that the San Bernardino County building assessment process was provided to the Grand Jury for review. The 2019 – 2020 San Bernardino County Civil Grand Jury also acknowledges that the assessment process was developed by an independent agency and certified that The County is using a methodology developed for the Department of Homeland Security (DHS) and Federal Emergency Management Agency (FEMA) by the Interagency Security Committee (ISC) for federal facility security assessments to classify buildings/sites and perform facility security assessments of County managed facilities. The 2019-2020 San Bernardino County Civil Grand Jury acknowledges that they were provided a list of buildings that have been assessed and a schedule of buildings that still require assessment.

**RECOMMENDATION 17-44:**

All future new construction should incorporate Department of Homeland Security and Interagency Security Committee standards.

#### INITIAL RESPONSE:

The County is implementing this recommendation. The County's security subcommittee is currently reviewing all new building security measures and features to ensure that Department of Homeland Security standards and guidelines are incorporated into their design

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-44 resulted in the subsequent response from the County of San Bernardino.

#### FIRST RESPONSE:

The County has implemented this recommendation. The County's security subcommittee is currently reviewing all new building security measures and features to ensure that Department of Homeland Security standards and guidelines are incorporated into their design. The County Is also applying Crime Prevention Through Environmental Design (CPTED) strategies to all new construction and remodels of County-owned and -leased facilities.

#### SECOND RESPONSE:

Due to security concerns, the Department of Homeland Security does not permit the release of the documentation requested by the Grand Jury. Building enhancements for security purposes through the Department of Homeland Security utilize the Interagency Security Committee (ISC) Standard for the Risk Management Process for Federal Facilities. Through the County's authorized building security assessment consultant, TRC Corporation, County facilities receive these ISC Standards in the form of recommendations that TRC Corporation makes to the County facilities they assess. This would include any new facilities. For reference, attached is an image of the cover page of this documentation, which is the only document that has been authorized by the Department of Homeland Security for release.”

#### CURRENT STATUS:

San Bernardino County's response to the 2019-2020 San Bernardino County Civil Grand Jury states that they could not release the requested documentation to the 2019-2020 Civil Grand Jury due to Department of Homeland Security restrictions.



The 2019-2020 San Bernardino County Civil Grand Jury cannot find evidence that San Bernardino County followed these guidelines.

**RECOMMENDATION 17-45:**

Training by the Sheriff's Department regarding Safety and Security be scheduled regularly for all County departments

**INITIAL RESPONSE:**

The County will implement this recommendation. The County Administrative Office, the Sheriff's Department, the County Fire Office of Emergency Services, County Information Services, Human Resources, Risk Management, County Real Estate Services, and the County Performance, Education and Resource Centers are working together to develop a safety and security training curriculum and delivery strategy for all County employees for implementation sometime during the current fiscal year.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-45 resulted in the subsequent response from the County of San Bernardino.

**RESPONSE:**

The County has implemented these recommendations. Working with Guidepost Solutions, The County's security subcommittee, which includes the Sheriff's Department, has created a three-part online safety and security training program titled SB Safe Training. The first module of the training, addressing awareness and preparedness, was pushed out to all County employees on February 8, 2018. The second module, addressing workplace violence, was pushed out to all County employees on November 14, 2018. The third module, addressing active shooter situations, has been completed and is undergoing review. It is planned for distribution to all County employees in early 2020. At that time, and at regular intervals in the future, notices will

be sent to all employees, including those hired after the launch of each module, to take or re-take the trainings. Training modules will be updated or added as necessary.

#### **CURRENT STATUS:**

The 2019-2020 San Bernardino County Civil Grand Jury acknowledges that on website <http://wp.sbcounty.gov/sbsafe/>, there are three modules developed by the San Bernardino County Sheriff's Department via SBSafe that provide training for:

- Increase awareness of your surroundings, spot threats, and be prepared for any emergency
- Workplace Violence identification, response, and de-escalation and
- Active Shooter prevention planning, strategies, and response

The 2019-2020 San Bernardino County Civil Grand Jury acknowledges that employees are notified when each training session becomes available, instructed on how to access the training, and encouraged to take the training. However, employees were informed that taking the training was optional.

#### **RECOMMENDATION 17-46:**

Regular training, such as that provided by Guidepost Solutions, be made a priority for all County employees.

#### **INITIAL RESPONSE:**

Please see the response to the previous recommendation.

#### **CURRENT STATUS:**

Recommendation 17-46 current status is included in current status of Recommendation 17-45

## CONCLUSION

The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee have determined that the status of the 2016-2017 Grand Jury's report recommendations for the report titled "San Bernardino County Site Security And Public Safety" is as follows:

- Recommendation 17 – 43: Completed as recommended
- Recommendation 17 – 44: Due to Department of Homeland Security restrictions the Grand Jury was unable to determine if recommendation was implemented.
- Recommendation 17 – 45: Completed as recommended.
- Recommendation 17 – 46: Completed as recommended

The specific details concerning the 2019-2020 San Bernardino County Civil Grand Jury's analysis of San Bernardino County Site Security and Public Safety responses to the Grand Jury's request for additional information are in the section titled Current Status of each recommendation reviewed.

# **SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT**

## **INMATE WELFARE FUND**

### **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed the FY2017-2018 Civil Grand Jury final report regarding the San Bernardino County Sheriff's Department (SBCSD) Inmate Welfare Fund (IWF). The purpose of the review was to determine if the SBCSD implemented all recommendations developed by the FY2017-2018 Civil Grand Jury.

The following are the:

- Original Civil Grand Jury Report Recommendation
- SBCSD initial response to the recommendation
- SBCSD response to the Civil Grand Jury inquiry 2019-2020 Civil Grand Jury's Current Status of the recommendation

### **RECOMMENDATION 18-15:**

Revise the Sheriff's Department public website to indicate the existence of the Inmate Welfare Fund and Inmate Welfare Trust Fund Committee to increase public awareness.

#### **INITIAL RESPONSE:**

The Sheriff's Department AGREES and acknowledges the lack of content on our website related to the Inmate Welfare Fund and Inmate Welfare Trust Fund Committee. We have incorporated that material onto our website and will keep it updated moving forward.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-15 resulted in the subsequent response from the County of San Bernardino.

#### RESPONSE:

The Sheriff's public website was updated in July 2017 to reflect the information governing the Inmate Welfare Fund (IWF). Unfortunately, due to a technological malfunction in formatting, the information was removed from the website. The IWF information has been reinstated to the public website under the Corrections link. Inmate Services Unit (ISU) staff will check the public website weekly to ensure that IWF information is current and available to the public.

ISU also created a public website for use by families of the incarcerated as well as the previously incarcerated. The website contains public resources as well as information for the families of the incarcerated. The website link (<http://wp.sbcounty.gov/sheriff/corrections/>) has been added to the Sheriff's website for ease of access.

#### CURRENT STATUS:

The 2019-2020 Civil Grand Jury validated that the posting of the Inmate Welfare Fund (IWF) information is on the SBCSD website. The Corrections link was tested and worked as stated.

#### **RECOMMENDATION 18-16:**

Review regularly (e.g., every two years) and update (as needed) the Inmate Welfare Trust Fund Committee Guidelines.

#### INITIAL RESPONSE:

The Sheriff's Department AGREES with this recommendation and has placed measures to review and update the Inmate Welfare Trust Fund Committee Guidelines biannually. The guidelines were last updated in 2014 and are nearing update completion for acceptance at the July 30th, 2018, Inmate Welfare Board Meeting.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-16 resulted in the subsequent response from the County of San Bernardino:

#### RESPONSE:

The Inmate Welfare Trust Fund Committee Guidelines were updated in July 2018. The guidelines will be updated every other year at a minimum. Changes will be made prior to the two-year review as the need for updates or changes are identified.

#### CURRENT STATUS:

The 2019-2020 Civil Grand Jury received the current guidelines, and reviewed and validated that in July 2018 the Inmate Welfare Trust Fund Committee Guidelines were updated.

#### **RECOMMENDATION 18-17:**

Establish and update a strategic master plan of spending that will guide the Inmate Welfare Trust Fund Committee when considering spending requests.

#### INITIAL RESPONSE:

The Sheriff's Department AGREES and acknowledges the lack of a strategic master plan for the Inmate Welfare Trust Fund Committee. A strategic plan was drafted in January of 2018 and will be used to guide the Inmate Welfare Trust Fund Committee on future goals within the Division. This is considered a draft simply because a detailed strategic business plan is applicable and in development. The goal of the strategic business plan is to guide the Inmate Welfare Trust Fund Committee in consideration of spending requests and future goals to enhance inmate successes and needs. The strategic business plan will be presented to the Inmate Welfare Trust Fund Committee for approval in September of 2018 and updated annually.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-17 resulted in the subsequent response from the County of San Bernardino.

#### RESPONSE:

Inmate Services Business Plan was approved by the committee in September of 2018. The plan was kept in its current form and updated in August 2019 with a description of the status of strategic implementation.

ISU is currently conducting an evaluation of all offered programming to ascertain the effectiveness in reducing recidivism. After the evaluation is completed a new five-year plan will be created. In the interim ISU will continue to operate off the current business plan.

**CURRENT STATUS:** The 2019-2020 Civil Grand Jury received, reviewed and validated that an Inmate Services Unit (ISU) business plan was developed for FY2018-19 and reviewed in August 2019.

**RECOMMENDATION 18-18:**

Establish and maintain an inventory of assets available to inmates for their benefit to assist the Inmate Welfare Trust Fund Committee in the implementation of the master plan of spending (e.g. the remaining life of assets).

**INITIAL RESPONSE:**

The Sheriff's Department AGREES and recognizes the need to maintain an inventory of assets and their depreciative value. The County currently conducts an annual inventory of all fixed assets purchased with an initial purchase value over \$5,000, which includes assets from the Inmate Services Unit. The Department recognizes the need to inventory assets purchased under the \$5,000 amount. To do so, the Inmate Services Unit purchased Microsoft Dynamics 365 Business Software on July 13th, 2018, that can accurately track current inventory of assets, expenditures, project management, and provide real-time financial analytics.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-18 resulted in the subsequent response from the County of San Bernardino.

**RESPONSE:**

ISU purchased a contract for Microsoft Dynamics 365 Business Software in 2018. After the one-year evaluation, it was determined the program was not meeting the needs of the unit. The

program was designed more for a manufacturing/retail organization. ISU is currently looking for a program that is better suited to our needs.

#### **CURRENT STATUS:**

The 2019-2020 Civil Grand Jury validated that, while the business software did not work out, SBCSD can continue to produce inventory reports until a new software application is selected.

#### **RECOMMENDATION 18-19:**

Conduct an assessment of inmate needs (education, training, counseling etc.) for use in guiding expenditures of the Inmate Welfare Fund.

#### **INITIAL RESPONSE:**

The Sheriff's Department AGREES with the need to continuously assess the needs of inmate programs that guide expenditures of the Inmate Welfare Fund. Because of the fluctuating inmate population and reduced sentencing, trying to identify individual inmate programming needs is a complicated, manually administered process, which is difficult with over 1,700 county-wide inmates currently involved in programming. The Inmate Services Unit is considering an automated process to identify programs specific to individual inmate needs that will be incorporated into the educational tablets currently in early trial stages. However, the programs currently offered by the Inmate Services Unit are in line with successful programming offered by other agencies.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-19 resulted in the subsequent response from the County of San Bernardino.

#### **RESPONSE:**

The Inmate Services Unit was in contract negotiations to utilize the Ohio Risk Assessment System (ORAS) for inmate assessments. ORAS is a nationally recognized assessment system. During the negotiations, the University of Cincinnati changed the structure of ORAS and no



longer used the paper assessment system. The University now uses an on-line only, cloud-based electronic assessment and storage system.

This changed the framework and needed the approval of the Sheriff's Technical Services Division (TSD) for CJIS compliance with the Department of Justice (DOJ) due to the confidential nature of the data being stored.

ISU received permission to proceed and use the cloud-based storage system following approval from both TSD and the DOJ.

A new contract for the ORAS system has been drafted and is awaiting approval. The assessment should be fully implemented by the beginning of January 2020.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-43 resulted in the subsequent response from the County of San Bernardino.

#### RESPONSE:

The ORAS contract was delayed and was not finalized until the end of February 2020. Prior to implementation of the program, staff training is required. The training was delayed during the COVID pandemic due to travel restrictions placed on the trainers from ORAS. Travel restrictions were recently lifted, training is now scheduled for the end of August, pending further restrictions. Once training is completed, the system will be implemented. To date, no reports have been generated as the system is not yet in use.

#### CURRENT STATUS:

The 2019-2020 San Bernardino County Civil Grand Jury has evidence that on February 25, 2020, San Bernardino County and the University of Cincinnati Research Institute signed a contract for the ORAS system. The San Bernardino County Sheriff's Department stated that even though the ORAS system had been purchased, it has not yet been installed.

## **RECOMMENDATION 18-20:**

Establish a mechanism for tracking the progress of inmates with regard to education, training and counseling for use in guiding expenditures of the Inmate Welfare Fund.

### **INITIAL RESPONSE:**

The Sheriff's Department AGREES, and recognizes the need to track inmate's progress as it pertains to inmate programs. Currently, such tracking is a labor-intensive manual process to derive statistical data on the effectiveness of programming. The addition of a Staff Analyst II (approved by Inmate Welfare Trust Fund Committee in November 2017 and the County Board of Supervisors on June 12th, 2018) to the Inmate Services Unit will be a catalyst for tracking the progress of inmates in respective programs. Those statistics can then be used as a guide for the Inmate Welfare Committee in steering expenditures in hopes of reducing recidivism and improve the quality of life of those formerly incarcerated.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-20 resulted in the subsequent response from the County of San Bernardino.

### **RESPONSE:**

ISU hired a Staff Analyst II in August 2019. The analyst has been diligently constructing a recidivism database from scratch.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-43 resulted in the subsequent response from the County of San Bernardino.

### **RESPONSE:**

The "Most Serious Crime Program/Post Program" graph is an example of one of the ways to review overall effectiveness of programming to inmates as a group in comparison to general inmate populations that do not receive rehabilitative and/or educational programming. The data

utilized comes from two databases, JIMS net (the Sheriff Department's Jail Information Management System) and the ISU Program Enrollment database that records which programs inmates have participated in. In seeking to develop more accurate measures of the effectiveness of programs, the Sheriff's Department participates with other County departments (Probation, Behavioral Health, among others) in the state-led coordination of data-driven policy-making practices (Data Driven Recovery Project).

ISU Managers and staff will holistically utilize data from reports created by the Staff Analyst and other staff members to consider the effectiveness of current programing. Data will also be utilized to assess the likely effectiveness of future programs. The Inmate Welfare Fund (IWF) Committee has not met since January of 2020 due to COVID and, as such, has not been able to utilize any such reports directly. Staff generated reports may be presented to the IWF Committee as supporting documentation for future proposals, as needed. Most of the research into the viability of future programs is considered by IWF staff during in-depth analysis taking a month or more to complete. This analysis is conducted before a program is considered for implementation. If a component of the program needs to be reviewed by the IWF Board, the Board receives funding recommendations with a summary of the program and related expectations. The majority of IWF board funding requests are related to equipment purchases in support of programs, rather than approval to fund the programs themselves.

#### **CURRENT STATUS:**

The 2019-2020 San Bernardino County Civil Grand Jury reviewed a Most Serious Crime graph report and the response submitted by the SBCSD. The 2019-2020 San Bernardino County Civil Grand Jury determined that the submission does not provide evidence that supports a mechanism for tracking the progress of inmates' education, training, and counseling for use in guiding expenditures of the Inmate Welfare Fund.

#### **RECOMMENDATION 18-21:**

Establish a practice that will ensure a financial report shall be submitted to the Board of Supervisors every year as required in PC 4025 \*.

#### INITIAL RESPONSE:

The Sheriff's Department AGREES with the importance of keeping the San Bernardino County Board of Supervisors Informed about the Inmate Welfare Fund

Calendar reminders have been implemented by the Sheriff's Bureau of Administration Division and the Inmate Services Unit to prevent oversight and/or delay of submitting annual itemized expenditure reports to the County Board of Supervisors.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 18-21 resulted in the subsequent response from the County of San Bernardino.

#### RESPONSE:

ISU sends the Inmate Welfare Fund Report to the Sheriff's Bureau of Administration in November of each year for presentation to the Board of Supervisors. The 17/18 Fiscal Year expenditures were submitted in December 2018 to the Board of Supervisors.

The 2019-2020 SAN BERNARDINO CIVIL GRAND JURY request for additional information from the County of San Bernardino regarding Recommendation 17-43 resulted in the subsequent response from the County of San Bernardino.

#### RESPONSE:

ISU sends the Inmate Welfare Fund Report to the Sheriff's Bureau of Administration in November of each year for presentation to the Board of Supervisors. The 18/19 Fiscal Year expenditures were submitted in February 2020 to the Board of Supervisors.

#### CURRENT STATUS:

The 2019-2020 San Bernardino County Civil Grand Jury has evidence of the development of a SBCSD's Inmate Welfare Fund Financial Report. The 2019-2020 San Bernardino County Civil Grand Jury also has evidence that the SBCSD submitted an Inmate Welfare Fund Financial Report to the San Bernardino County Board of Supervisors on February 11, 2020, for the fiscal year 2018-2019.

\*California Penal Code Section 4025 CA Penal Code § 4025 (2017) (e) The money and property deposited in the inmate welfare fund shall be expended by the sheriff primarily for the benefit, education, and welfare of the inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of county jail facilities. Maintenance of county jail facilities may include, but is not limited to, the salary and benefits of personnel used in the programs to benefit the inmates, including, but not limited to, education, drug and alcohol treatment, welfare, library, accounting, and other programs deemed appropriate by the sheriff. Inmate welfare funds shall not be used to pay required county expenses of confining inmates in a local detention system, such as meals, clothing, housing, or medical services or expenses, except that inmate welfare funds may be used to augment those required county expenses as determined by the sheriff to be in the best interests of inmates. An itemized report of these expenditures shall be submitted annually to the board of supervisors.

## CONCLUSION

The 2019-2020 San Bernardino County Civil Grand Jury Response and Accountability Committee reviewed all seven (7) recommendations related to this report for effectiveness and implementation. The results of our review are:

- Recommendation 18-15 was effectively implemented
- Recommendation 18-16 was effectively implemented
- Recommendation 18-17 was effectively implemented
- Recommendation 18-18 was effectively implemented
- Recommendation 18-19: The ORAS system was purchased but not yet installed.
- Recommendation 18-20: No evidence supports that this recommendation was effectively implemented.
- Recommendation 18-21 was effectively implemented

The specific details concerning the 2019-2020 San Bernardino County Civil Grand Jury's analysis of San Bernardino County Sheriff's Department Inmate Welfare Fund responses to the Grand Jury's questions are in the section titled, 'Current Status' of each recommendation reviewed.

## COMPLAINTS

The San Bernardino County Civil Grand Jury receives numerous citizen complaints throughout the year. The 2019-2020 Grand Jury received a total of 46 complaints. Every complaint is carefully reviewed by the Grand Jury for issues regarding appropriate jurisdiction and importance of the complaint topic.

After completion of the initial review of a citizen complaint, the Grand Jury may approve the complaint and assign it to an appropriate committee. The committee will conduct an investigation with appropriate oversight by the full Grand Jury. A written report of the committee's findings and recommendations regarding a specific complaint may or may not be included in the year-end Grand Jury's Final Report.

The process of submitting a citizen complaint is to obtain a Confidential Citizen Complaint form from either the Grand Jury's website or by calling the Grand Jury's office at (909) 387-9120. The website is <http://wp.sbcounty.gov/grandjury/file-a-complaint/>. Once the complaint form has been completed and signed, it can be returned to the Grand Jury's office for processing. Although the Grand Jury usually does not investigate anonymous complaints, it may conduct an investigation depending on the issue.

## **CITY OF UPLAND INVESTIGATION**

### **SUMMARY**

The 2019-2020 San Bernardino County Civil Grand Jury (Civil Grand Jury) discovered evidence that, in 2019, the City of Upland purposely covered up, on no fewer than five (5) Treasury reports, a handwritten notation made by the elected City Treasurer of \$112,039,675.00 regarding the City of Upland's Unfunded Pension Liabilities. The City's management personnel then forwarded the Treasury Report without the handwritten note to the City Council as unaltered.

The evidence established that, eventually, the cover-up of the Unfunded Pension Liabilities notation was discovered, but that the City of Upland failed to take any disciplinary action. Instead, they decided to permanently remove the elected City Treasurer's signature from the Treasury Report. The evidence further established that masking of the hand-written notation was then supported by the City of Upland's motivation to prevent the citizens of Upland from asking questions about the status of the City's Unfunded Pension Liabilities.

The Civil Grand Jury also discovered evidence that when the City Treasurer submitted an appointment for Deputy Treasurer's position to the City of Upland, City management personnel denied the request without statutory authority. Evidence established that the City Council was not made aware of the appointment. CA Government Code Title 4, Chapter 3, Section 41006, states that "The city treasurer may appoint deputies". Evidence established that the City of Upland City Council determines what compensation is provided for a Deputy Treasurer.

The Civil Grand Jury found evidence that members of the City of Upland Finance Committee were confused about their responsibilities. Evidence established that Finance Committee members differed as to who did and who did not have voting rights. Evidence also established that Finance Committee members did not have an accurate assessment of pension costs related to the City of Upland.

The Civil Grand Jury found that most actions mentioned in this report may not violate the law<sup>1</sup>. The Civil Grand Jury does, however, view these practices as deceptive. These actions also demonstrate a lack of proper government practices and transparency to the citizens of Upland.

The Discussion section in this report describes in detail the City of Upland's actions and decisions that represent a lack of transparency to its citizens. The Civil Grand Jury Report includes recommendations to improve Upland's understanding of its responsibilities to the Upland citizens.

### **Glossary**

**Capital Project Funds:** Funds used to track the accumulation and use of resources for constructing, acquiring, and rehabilitating capital assets, such as buildings and roads.

**City Council:** A group of elected officials who serve as the legislative body of the City of Upland.

**City Treasurer:** An elected official who is primarily responsible for managing the revenue and cash flow of the agency, banking, collection, receipt, reporting, custody, investment or disbursement of municipal funds.

**Comprehensive Annual Financial Report (CAFR):** Compiled annually by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) and adheres to the U.S. Federal Government standards determined by the Federal Accounting Standards Advisory Board (FASAB).

The CAFR is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

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<sup>1</sup> The San Bernardino County Civil Grand Jury is aware that there potentially may be criminal activity associated with these actions that are not within the jurisdiction of the Civil Grand Jury.



The purpose of a CAFR is to be transparent about the use of taxpayers' money and to give the public a detailed accounting of all expenditures. A CAFR accomplishes this by including dozens of basic and more intricate financial reports along with notes, narratives and supporting data.

**Debt Service Funds:** Funds used to account for the repayment of debt.

**Disbursements:** Payments from a fund.

**Enterprise Funds:** Funds used to separately account for the operations of municipal services which charge fees in exchange for goods and services.

**Finance Committee:** A standing committee of the City Council that consists of two council members, the City Treasurer (review of Quarterly Investment Report), and a Finance Officer (staff - advisory only). This Committee shall be responsible for reviewing changes to the finances of the City. This may include reviewing warrants and registers, financial statements, investment reports, the City's annual independent audit, City fees and service charges, and operating budgets.

**Fund Balances:** The difference between assets and liabilities in a governmental fund.

**General Fund:** Fund where a government accounts for everything not reported in another fund.

**General Law City:** A city that runs by state rules as outlined in the California Government Code.

**Investment Committee:** A sub-committee of the Finance Committee that reviews the Quarterly Investment Report.

**Management Personnel:** Salaried-level employees with supervisory responsibility.

**Special Revenue Funds:** Funds used to report specific revenue sources that are limited to being used for a particular purpose by law or administrative actions.

**Treasury Report:** A written report developed under the authority of the City of Upland Statement of Investment Policy (Exhibit 2), that accounts for all city investments that are submitted monthly to the legislative body.

**Trust and Agency Funds:** Funds used to account for resources held for the benefit of parties outside the city.

- Trust funds account for resources held by a city in a trustee capacity to provide benefits to recipients in accordance with specified terms.
- Agency funds account for resources held by a city (not in a trust) on behalf of individuals or other governments.

**Unfunded Pension Liabilities:** Pension debt obligations that do not have sufficient funds set aside to pay the debt.

## **BACKGROUND**

Several issues arose that the elected Treasurer of the City of Upland is not being allowed to perform many of his duties by the City of Upland. California Penal Code Section 925a provided the 2019-2020 San Bernardino County Civil Grand Jury jurisdiction to investigate further into these issues.

## **METHODOLOGY**

The Civil Grand Jury determined that the City of Upland is considered a General Law City. The Civil Grand Jury interviewed several general law elected city treasurers, California State government officials, California State treasurer associations, and current and former City of Upland elected and appointed officials. The Civil Grand Jury also researched California and

City of Upland government codes that outline the duties and responsibilities of a city treasurer in a California General Law City.

The Civil Grand Jury researched numerous online documents, and reviewed comparable reports and financials of general law cities. Members of the Civil Grand Jury attended a meeting of the City of Upland Finance Committee.

The Civil Grand Jury communicated with an independent auditing firm to help clarify best practice accounting policies as related to an elected city treasurer.

The Civil Grand Jury made several requests to the City of Upland for personnel interviews, information, and documents. The City of Upland complied with all inquiries for interviews, information, and documents.

## **DISCUSSION**

The statutory purpose of the Civil Grand Jury in this report is to conduct an investigation, identify findings and make recommendations to improve the efficient and effective functioning of government.

### **Duties of Elected City Treasurer – Signing of Monthly Treasury Report**

Shortly after being sworn into office, the City Treasurer was informed by the City's management personnel that one of several responsibilities was managing the City's revenue and cash flow. This included signing the monthly Treasury Report as outlined in CA Government Code Title 4, Chapter 3, Section 41004. (Exhibit 1).

The City Treasurer was informed by management personnel that his duties were outlined in CA Government Code Title 4, Chapter 3, Sections 41001- 41007. (Exhibit 1). Evidence revealed that with the exception of signing the monthly Treasury Report, the City Treasurer rarely, if ever, performed these duties.

The evidence revealed that the role and scope of the newly elected City Treasurer's duties were significantly reduced from the role played by former City Treasurers, and that the Treasurer's activities were limited to oversight of the City's investments, and reviewing and signing the Monthly Treasury Report.

The evidence showed that taking action to limit the City Treasurer's scope of authority from the outset of his tenure was motivated by the City management's desire to suppress the City Treasurer's pre-election and post-election oral and written communications concerning the City's Unfunded Pension Liabilities, because it would result in the public asking too many questions of management personnel and elected City officials.

The evidence revealed that management personnel were of the opinion that the Unfunded Pension Liabilities were noted in the City's Consolidated Annual Financial Report (CAFR), and that the calculation of the Unfunded Pension Liabilities did not constitute a real number and therefore, should not be noted on the Treasury Report, nor anywhere else, because it would result in the public asking too many questions of management employees and management personnel.

### **City Treasurer Signs Monthly Treasury Reports**

The evidence established that the City Treasurer was responsible for reviewing and signing the Treasury Report.

The evidence revealed that the Treasury Reports were prepared by City employees and forwarded to the City Treasurer for review and approval. This is consistent with statutory authority and long-standing practice of management personnel and the City Council. Once the City Treasurer signed the Treasury Report, it was forwarded to the City Manager's Office and then placed on the City Council's Consent Agenda.

The evidence revealed that the City Treasurer sought to inform the citizens of Upland on numerous occasions by making a handwritten notation on the monthly Treasury Report that the City's Unfunded Pension Liabilities exceeded \$112 million. (Exhibit 3).

#### **Local Officials Alter the Treasury Report – Removing the City Treasurer's Handwritten Unfunded Pension Liabilities Notes**

The evidence established that as far back as January 2019, management personnel began covering up the City Treasurer's handwritten notation on the Treasury Report concerning the Unfunded Pension Liabilities. The altered Treasury Reports were then filed with the City Clerk on no fewer than five (5) occasions between January 2019 and June 2019, and were included in the Council's monthly Consent Agenda. (Exhibit 4).

The evidence revealed that both versions of the Treasury Reports were in the City's files. However, only the copies that covered up the City Treasurer's notation of the Unfunded Pension Liabilities were sent to the City Council.

The evidence established that making a notation on the Treasury Report regarding Unfunded Pension Liabilities is within the elected City Treasurer's authority. Additionally, there was near unanimous agreement from witnesses interviewed that the City's Unfunded Pension Liabilities posed both a serious threat and a financial liability to the citizens of the City.

#### **Management Personnel Stopped the Practice of Altering the Treasurer Report**

The evidence established that management personnel did not inform either their superiors or City Council that a staff member covered up the City Treasurer's handwritten notation concerning the Unfunded Pension Liabilities prior to submission to the City Council.

It wasn't until a July 2019 meeting of the Finance Committee that the Finance Committee members became aware of the alterations to the Treasury Report, and only after an elected city

official asked why the Unfunded Pension Liabilities notation was not included in the version of the Treasury Report submitted to the City Council.

At the July 2019 meeting of the Finance Committee, the members decided to table the discussion until the next meeting because senior management personnel asked to investigate why changes were being made to the Treasury Report.

When other senior members of the City's management personnel became aware of what was happening with the Treasury Report, they initiated an immediate stop to the practice of altering the Treasury Report. However, the evidence revealed that the public was never informed of this matter by city officials, nor was any disciplinary action taken by the City.

### **Removing the City Treasurer Signature Block from the Treasury Report**

The Finance Committee met in October 2019, and voted that the Unfunded Pension Liabilities should not be included on the Treasury Report. The evidence showed that once the City Treasurer learned that the handwritten Unfunded Pension Liabilities note on the Treasury Report was not going to be included on the monthly Treasury Reports, he refused to sign the Treasury Report, and has never signed another Treasury Report (Exhibits 5 and 6).

The evidence showed that if the Treasurer did not sign the October 2019 Treasury Report without the handwritten note concerning the City's Unfunded Pension Liabilities, then his signature block would be removed from the Treasurer's Report altogether.

In place of the City Treasurer's signature, both management personnel and senior management personnel would sign the report, effectively making the Treasury Report no longer the City Treasurer's Report. This is contrary to the City's Statement of Investment Policy (Exhibit 2). In November of 2019, members of the management personnel did, in fact, remove the City Treasurer's signature block entirely from the Treasury Report, and replaced it with their own signatures.

The evidence revealed that members of the City’s management personnel unilaterally took this action without informing members of City Council of their decision(s) regarding another elected City Official.

From this sequence of events, the evidence determined that some city officials suppressed the message the City Treasurer wanted to convey to the public about the City’s Unfunded Pension Liabilities, because it would result in too many questions being asked of management personnel by the citizens of Upland.

Evidence also determined that City Officials mismanaged this matter, in that there were alternate solutions to the problem of noting the City’s Unfunded Pension Liabilities on the Treasury Report, other than covering up the notation, but they were not pursued. For example, a simple memo attached to the Treasury Report concerning the City’s Unfunded Pension Liabilities would have sufficed to address the matter.

This mismanagement was due in part to confusion among City Officials about the responsibilities and duties of an elected City Treasurer, and determined actions to prevent the citizens of Upland from seeing the City Treasurer’s messaging regarding the Unfunded Pension Liabilities.

### **City Treasurer’s Appointment of Deputy Treasurer**

Evidence also showed that the City Treasurer appointed a Deputy City Treasurer, in keeping with the City Treasurer's statutory authority. The City Treasurer’s appointment was denied by the City's management personnel. The CA Government Code Title 4, Chapter 3, Section 41006 states that “The city treasurer may appoint deputies”. The evidence revealed that management personnel acted unilaterally in denying the appointment.

### **Lack of Understanding CA Codes 41001-41007 and 53646**

The evidence revealed that elected City Council and management personnel did not have a complete understanding and/or were confused about the role and responsibilities of the City Treasurer as outlined in CA Government Code Title 4, Chapter 3, Sections 41001- 41007 (Exhibit 1), CA Government Code Title 5, Division 2 53646 (Exhibit 7) and the City's Statement of Investment Policy (Exhibit 2) as it applied to the financial reporting and operational processes of the City of Upland.

For example, shortly after being sworn into office, the City Treasurer was informed by the City's management personnel that one of his duties was managing the City's revenue and cash flow. However, the evidence revealed that the City Treasurer has not performed these duties.

In accordance with the City's Statement of Investment Policy, the City Treasurer was to oversee the banking and investments of the City. Additionally, the evidence revealed that not all Finance Committee members were familiar with the City's Statement of Investment Policy (Exhibit 2).

### **Lack of a Formal Orientation Process for Newly Elected Officials**

The evidence revealed that there was no formal orientation process in place for newly elected officials at the City of Upland. Consequently, newly elected officials are forced to reach out to various management personnel for guidance as to what their duties were and how they were to be performed.

The evidence revealed that comparable general law cities held differing opinions about the role of the City Treasurer. In the case of the City of Upland, there was considerable confusion among City officials as to the exact role of the City Treasurer. Additionally, the evidence revealed that management personnel and City Council, being unfamiliar with the underlying statutory authority establishing the duties of the City Treasurer, and having an inconsistent understanding and/or implementation of the City's Statement of Investment Policy (Exhibit 2), led to confusion and mismanagement. As a consequence, the evidence revealed that management personnel took



steps to limit the roles and responsibilities of the City Treasurer in an effort to suppress his messaging on the City's Unfunded Pension Liabilities from public inquiry.

### **Dissolution of the Finance Committee**

Even before the City Treasurer was sworn into office in December 2016, the evidence revealed that management personnel, motivated by a desire to suppress the City Treasurer's messaging concerning the City's Unfunded Pension Liabilities, limited the input of the City Treasurer by dissolving the Finance Committee.

Officially, the Finance Committee was dissolved on March 13, 2017 at a City Council meeting. The evidence revealed that the dissolution of the Finance Committee by City Council was based on the recommendation of management personnel. The minutes of this meeting reflected no discussion on this topic from the City Council members.

Historically, the City Treasurer was always an active member of the Finance Committee, and gave input on a broad range of financial matters as outlined in CA Government Code Title 4, Chapter 3, Sections 41001 - 41007 (Exhibit 1), CA Government Code Title 5, Division 2 53646 (Exhibit 7), and the City's Statement of Investment Policy (Exhibit 2).

The evidence revealed that the only committee the City Treasurer was a member of was the City's Investment Committee. The evidence disclosed that the City Treasurer was not invited to other meetings involving discussion of the City's finances. The evidence further revealed that by taking these actions, the City's management personnel sought to limit the roles and responsibilities of the City Treasurer in an effort to suppress his messaging on the City's Unfunded Pension Liabilities from public inquiry.

### **Finance Committee Reinstated by the City**

Ironically, by Resolution 6504 (Exhibit 8) being passed, approved, and adopted by City Council on August 12, 2019, the Finance Committee was reinstated. In reinstating the Finance

Committee, the City Council gave wide parameters to members of the Finance Committee by stating that, “The committee shall be responsible for reviewing matters pertaining to the finances of the City”. However, even though the City Treasurer was renamed as a member of the Finance Committee, the language of the resolution specifically limited the duties of the City Treasurer to the “review of quarterly investment reports” per Resolution 6504 (Exhibit 8).

The Finance Committee is composed of two City Council members appointed by the Mayor, the City Treasurer, and the Finance Officer. The evidence revealed that the voting responsibility of the City Treasurer as a member of the Finance Committee ranged from full voting authority, limited voting authority and no voting authority. As a result, the views of the City Treasurer are nullified and easily ignored. The evidence supported that minutes of the Finance Committee meetings are recorded. Evidence also supported that the minutes are not detailed and appear to not change substantially from meeting to meeting.

The evidence established that City of Upland elected officials did not understand the calculation nor the financial impact of the pension liabilities facing the City. For example, evidence determined that a finance committee member thought that the City of Upland expends approximately 2 million dollars annually on pension costs. Evidence reveals that the City of Upland’s 2019 projection of pension costs exceeded 11 million dollars in FY 2019-20 and is projected to reach 15 million dollars annually in FY 2027-28. In the end, evidence supported a strong motive for management personnel and elected officials at the City to take steps to prevent this information being brought forward in the Treasury Report for public scrutiny.

### **Resignation of Upland City Treasurer**

The Civil Grand Jury discovered that the Upland City Treasurer resigned, effective August 10, 2020. The resignation of the Upland City Treasurer has had no impact on the Civil Grand Jury’s investigation, findings or recommendations made in this Report.

## **FINDINGS**

F1: City staff did not inform their superiors or the City Council that changes to the Treasurer's Report, made by the City Treasurer, were removed by staff members before publication.

F2: The removal of the Unfunded Pension Liability comments from the monthly Treasury Report was acknowledged and eventually approved by members of the City of Upland Finance Committee.

F3: The City of Upland did remove the City Treasurer's signature block from the Treasurer's Report after the City Treasurer refused to sign the report without a statement about Unfunded Pension Liabilities being placed on the report.

F4: The City of Upland marginalized (limited) the City Treasurer's role in the City's financial oversight because they did not want their citizens to ask questions regarding the City's Unfunded Pension Liabilities.

F5: The City of Upland considers actions of publicly addressing the Unfunded Pension Liability as inviting negative criticisms and questions from the citizens of Upland, and not being part of the solution.

F6: The handwritten notation of \$112,039,675.00, representing the City of Upland's Unfunded Pension Liability, on the monthly Treasury report, although not a best practice, is allowable.

F7: CA Government Code Title 4, Chapter 3, Section 41006 (Exhibit 1) authorizes the appointment of a Deputy City Treasurer by the City Treasurer.

F8: City management personnel are confused about the City Treasurer's voting authority as a member of the Finance Committee. It is not unanimously understood if the City Treasurer has full voting authority on all Committee issues, or is restricted to specific issues.

F9: The City's management personnel were confused about the roles and responsibilities of the elected City Treasurer, and expressed a preference that the City Treasurer be appointed rather than elected.

F10: City of Upland Finance Committee members either were misinformed or confused about their roles on the Finance/Investment Committee(s).

F11: Not all City management personnel and City Council Members are familiar with the City of Upland's Statement of Investment Policy (Exhibit 2).

F12: City of Upland officials, elected and management, do not have a complete understanding of how CA Government Code Title 4, Chapter 3, Sections 41001- 41007 (Exhibit 1) and CA Government Code Title 5, Division 2 53646 (Exhibit 7) apply to the financial reporting and operational processes of the City of Upland.

F13: City of Upland management personnel is not aware of a City Treasurer's formal orientation process that defines his duties, responsibilities, authority, and interactions within the City of Upland.

F14: The duties of the elected City Treasurer have been reduced or limited to simply overseeing the investment funds, rather than overseeing all funds received and paid out by the City, as specified by CA Government Code Title 4, Chapter 3, Sections 41001 – 41005 (Exhibit 1) and the City's Statement of Investment Policy (Exhibit 2), dated June 25, 2018.

F15: The City of Upland does not have a clear understanding of the amount of annual pension cost and seriousness of the Unfunded Pension Liabilities threatening the City of Upland.

F16: Finance Committee meeting minutes and past Investment Report Summaries are not available on the City of Upland's website for public review.

F17: Management personnel discontinued the operation of the Finance Committee to limit input by the City Treasurer regarding Unfunded Pension Liability because they did not want their citizens asking questions about the Unfunded Pension Liability.

## **RECOMMENDATIONS**

20-1: The Upland City Council investigate and make public, at an open public City Council meeting and on the Upland City webpage, how City staff covered up the notation of Unfunded Pension Liability made by the City Treasurer on the monthly Treasury Report. To be implemented no later than the end of March 2021.

20-2: The Upland City Council investigate and make public, at an open public City Council meeting and on the Upland City webpage, what disciplinary action was taken addressing the alteration of the Treasury Report after it was signed by the City Treasurer. To be implemented no later than the end of March 2021.

20-3: The Upland City Council make public, at an open public City Council meeting and on the Upland City webpage, the actions taken to assure that this type of incident, the altering of a signed report will not recur. To be implemented no later than the end of March 2021.

20-4: Any changes made to the City Treasury Report, after the document is signed by the City Treasurer and submitted to the City Clerk, must be documented in writing with the City Treasurer, the City Manager, and the Mayor. To be implemented immediately.

20-5: Reinstate the signature block for the City Treasurer. To be implemented no later than the end of March 2021.

20-6: Once a month at a City Council Meeting, the City Treasurer presents the submitted Treasury Report and the submitted financial status including, but not limited to, those responsibilities as outlined by CA Government Code Title 4, Chapter 3, Section 41004 (Exhibit 1) and CA Government Code Title 5, Division 2 53646 (Exhibit 7). To be implemented no later than the end of March 2021.

20-7: The roles of the City Treasurer must be clearly outlined in accordance with CA Government Code Title 4, Chapter 3, Sections 41001- 41007 (Exhibit 1) and CA Government Code Title 5, Division 2 53646 (Exhibit 7), and posted to the City's website for full transparency. To be implemented no later than the end of March 2021.

20-8: Establish a structured orientation process for an elected City Treasurer that defines his duties, responsibilities, authority, and the expected interactions as a member of the City of Upland management personnel. Include in the orientation process references to CA Government Code Title 4, Chapter 3, Sections 41001- 41007 (Exhibit 1) that support the functions and responsibilities of a City Treasurer of a General Law City. To be implemented immediately.

20-9: In the best interests of the citizens of Upland, management personnel, both elected and appointed, reinstate all fiduciary duties to the elected City Treasurer, as outlined in CA Government Code Title 4, Chapter 3, Sections 41001-41005 (Exhibit 1). To be implemented immediately.

20-10: The City establish guidelines and practices which support the appointment of a Deputy City Treasurer by the City Treasurer, should the City Treasurer so desire, for the proper fulfillment of the City Treasurer's financial duties and responsibilities. To be implemented no later than the end of March 2021.

20-11: The City establish guidelines/practices and training for management personnel at the City of Upland and elected City Council members of the amount of and a full understanding of the Unfunded Pension Liabilities facing the City. To be implemented no later than the end of June, 2021.

20-12: The City establish guidelines/practices and training which support the understanding by management personnel at the City of Upland and elected City Council members of their roles and responsibilities on the Finance/Investment Committees. To be implemented no later than the end of March 2021.

20-13: Document the defined roles, responsibilities and voting authority of all members of the Finance Committee. To be implemented no later than the end of March 2021.

20-14: Annually, City of Upland officials, elected and financial management employees, attend an in-house seminar that reviews in detail the financial reporting process for a General Law City and the City of Upland Statement of Investment Policy (Exhibit 2). To be implemented no later than the end of June 2021.

20-15: Make available all of the Finance Committee meeting minutes and Investment Report Summaries for the past 3 years to present, on the City website for public access. To be implemented no later than the end of March 2021.

20-16: The City of Upland publish a comprehensive quarterly report on the City website that lists current pension costs, plus a ten-year pension cost projection. This report, in addition to the City's Comprehensive Annual Financial Report, should include the most current Unfunded Pension Liability information, including the City's comprehensive plan addressing the escalation of the Unfunded Pension Liability. To be implemented no later than the end of March 2021.

## **EXHIBITS**

Exhibit #1 CA Government Code Title 4, Chapter 3, Sections 41001- 41007

Exhibit #2 City's Statement of Investment Policy

Exhibit #3 Monthly Treasury Report 7/31/2019 Notated

Exhibit #4 Monthly Treasury Report 7/31/2019 Not Notated

Exhibit #5 Monthly Treasury Report 9/2019

Exhibit #6 Monthly Treasury Report 10/2019

Exhibit #7 CA Government Code Title 5, Division 2 53646

Exhibit #8 Resolution 6504

<b><u>AGENCY</u></b>	<b><u>RECOMMENDATIONS</u></b>	<b><u>DUE DATE</u></b>
City of Upland	20-1 through 20-16	1/4/2021



# **EXHIBIT 1**


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### GOVERNMENT CODE - GOV

**TITLE 4. GOVERNMENT OF CITIES [34000 - 45345]** ( Title 4 added by Stats. 1949, Ch. 79. )

**DIVISION 3. OFFICERS [36501 - 41805]** ( Division 3 added by Stats. 1949, Ch. 79. )

**PART 3. OTHER OFFICERS [40601 - 41805]** ( Part 3 added by Stats. 1949, Ch. 79. )

**CHAPTER 3. City Treasurer [41001 - 41007]** ( Chapter 3 added by Stats. 1949, Ch. 79. )

**41001.** The city treasurer shall receive and safely keep all money the treasurer receives.

(Amended by Stats. 2017, Ch. 77, Sec. 1. (SB 742) Effective January 1, 2018.)

**41002.** (a) The city treasurer shall comply with all laws governing the deposit and securing of public funds and the handling of trust funds in his or her possession.

(b) If the city has issued bonds, the city treasurer shall use a system of accounting and auditing that adheres to generally accepted accounting principles.

(Amended by Stats. 2017, Ch. 77, Sec. 2. (SB 742) Effective January 1, 2018.)

**41003.** The city treasurer shall pay out money only on warrants signed by legally designated persons.

(Amended by Stats. 2017, Ch. 77, Sec. 3. (SB 742) Effective January 1, 2018.)

**41004.** Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. The city treasurer shall file a copy with the legislative body.

(Amended by Stats. 2017, Ch. 77, Sec. 4. (SB 742) Effective January 1, 2018.)

**41005.** The city treasurer shall perform such duties relative to the collection of city taxes and license fees as are prescribed by ordinance.

(Added by Stats. 1949, Ch. 79.)

**41006.** The city treasurer may appoint deputies.

(Amended by Stats. 2017, Ch. 77, Sec. 5. (SB 742) Effective January 1, 2018.)

**41007.** The deputies shall hold office at the pleasure of the city treasurer and receive such compensation as is provided by the legislative body.

(Added by Stats. 1949, Ch. 79.)

# **EXHIBIT 2**

*EXHIBIT 11*

**EXHIBIT A**

**POLICY NO.:** 2  
**SUBJECT:** "STATEMENT OF INVESTMENT POLICY"  
**Dated:** June 25, 2018

## **POLICY**

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

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

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

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

### **1.0 Scope**

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

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

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

### **2.0 Standard of Care**

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

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

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

### **3.0 Objectives**

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

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

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

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

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

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

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

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

#### **4.0     Delegation of Authority**

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

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

#### **5.0     Internal Controls**

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

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

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

#### **6.0     Conflict of Interest**

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

City, particularly with regard to the timing of securities purchases and sales, and shall avoid transactions that might impair public confidence.

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

#### **7.0 Authorized Broker-Dealers**

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

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

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

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

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

#### **8.0 Authorized Public Depositories**

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

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



a branch office within San Bernardino County and/or Los Angeles County. The only exception to the foregoing shall be 100% Federal Deposit Insurance Company (FDIC) insured securities purchased through a broker-dealer.

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

## **9.0 Safekeeping and Custody**

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

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

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

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

## **10.0 Collateralization**

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

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

Officer with a safekeeping receipt that he shall retain.

## **11.0 Authorized Investments**

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

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

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

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

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

### **11.02 Federal Agency and Instrumentality Notes**

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

### **11.03 Municipal Securities**

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

#### **11.04 Medium-Term Notes**

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

#### **11.05 Bankers' Acceptances**

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

#### **11.06 Commercial Paper**

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

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

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

#### **11.08 Certificates of Deposit**

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

#### **11.09 Mutual Funds and Money Market Mutual Funds**

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

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

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

*value of the City's investment portfolios may be invested in mutual funds and MMFs.*

#### **11.10 Local Agency Investment Fund ("LAIF")**

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

#### **11.11 Supranational Securities**

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

### **12.0 Prohibited Investments and Practices**

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

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

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

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

### **13.0 Investment Pools**

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

#### **14.0 Diversification**

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

#### **15.0 Maximum Maturity**

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

*At least 50 percent of the City's portfolio shall mature in three years or less; 30 percent in two years or less; and 20 percent in one year or less. The only exception to these maturity limits shall be the investment of the gross proceeds of bonds or notes.*

#### **16.0 Portfolio Rebalancing**

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

#### **17.0 Credit Downgrading**

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

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

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

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

#### **18.0 Portfolio Benchmark**

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

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

#### **19.0 Performance Reporting**

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

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

#### **20.0 Policy Review and Adoption**

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

## GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# **EXHIBIT 3**

## TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

RECEIVED

AUG 22 2019

For Period Ended  
July 31, 2019

CITY MANAGER'S OFFICE

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 22,951,376	N/A	\$ 23,113,862	25.9%
Bank Accounts and Change Funds	6,405,638	N/A	6,405,638	7.2%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	1,710,441	N/A	1,710,441	1.9%
Government Agency Securities	43,809,112	43,855,000	43,805,039	49.2%
Corporate Bonds	13,044,430	13,053,000	13,155,177	14.8%
US Treasury	800,440	800,000	796,912	0.9%
<b>Total Cash and Investments</b>	<b>\$ 88,721,438</b>	<b>\$ 57,708,000</b>	<b>\$ 88,987,070</b>	<b>100.0%</b>

PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 7/31/19	1,124,049	1,124,049	14.3%
Pension Trust Investment as of 7/31/19	6,726,145	6,726,145	85.7%
<b>Total Cash and Investments</b>	<b>\$ 7,850,194</b>	<b>\$ 7,850,194</b>	<b>100.0%</b>

<b>Weighted Average Days to Maturity</b>	<b>615.11</b>
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<b>Blended Yield:</b>	<b>2.240%</b>
<b>Benchmarks:</b>	
LAIF	2.379%
2yr U.S. Treasury	1.890%
5yr U.S. Treasury	1.840%

Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	11	11
Colonies CFD Area #2 2015	2,762,478	2,762,478
Colonies CFD Area #1 2012	3,443,372	3,443,372
Upland 54 CFD 2004	287,266	287,266
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,457,152	2,457,152
Harvest at Upland CFD 2016-1	8,513,450	8,513,450
<b>Total Restricted Funds</b>	<b>\$ 17,463,727</b>	<b>\$ 17,463,727</b>

NET PENSION LIABILITY, TOTALLED \$ 114,039,675.00 PER THE 6-30-18 COMPREHENSIVE ANNUAL FINANCIAL REPORT.

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

Reviewed by Finance Officer

Date

City Treasurer

Date

# **EXHIBIT 4**



## TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

RECEIVED

AUG 22 2019

For Period Ended  
July 31, 2019

CITY MANAGER'S OFFICE

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 22,951,376	N/A	\$ 23,113,862	25.9%
Bank Accounts and Change Funds	6,405,638	N/A	6,405,638	7.2%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	1,710,441	N/A	1,710,441	1.9%
Government Agency Securities	43,809,112	43,855,000	43,805,039	49.2%
Corporate Bonds	13,044,430	13,053,000	13,155,177	14.8%
US Treasury	800,440	800,000	796,912	0.9%
<b>Total Cash and Investments</b>	<b>\$ 88,721,438</b>	<b>\$ 57,708,000</b>	<b>\$ 88,987,070</b>	<b>100.0%</b>

PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 7/31/19	1,124,049	1,124,049	14.3%
Pension Trust Investment as of 7/31/19	6,726,145	6,726,145	85.7%
<b>Total Cash and Investments</b>	<b>\$ 7,850,194</b>	<b>\$ 7,850,194</b>	<b>100.0%</b>

<b>Weighted Average Days to Maturity</b>	<b>615.11</b>
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<b>Blended Yield:</b>	<b>2.240%</b>
<b>Benchmarks:</b>	
LAIF	2.379%
2yr U.S. Treasury	1.890%
5yr U.S. Treasury	1.840%

Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	11	11
Colonies CFD Area #2 2015	2,762,478	2,762,478
Colonies CFD Area #1 2012	3,443,372	3,443,372
Upland 54 CFD 2004	287,266	287,266
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,457,152	2,457,152
Harvest at Upland CFD 2016-1	8,513,450	8,513,450
<b>Total Restricted Funds</b>	<b>\$ 17,463,727</b>	<b>\$ 17,463,727</b>

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

Reviewed by Finance Officer



City Treasurer

Date



Date

Prepared By: Angela Durham

# EXHIBIT 5

## TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended  
September 30, 2019

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 21,451,376	N/A	\$ 21,545,381	24.6%
Bank Accounts and Change Funds	5,881,776	N/A	5,881,776	6.8%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	2,540,448	N/A	2,540,448	2.9%
Government Agency Securities	43,759,516	43,805,000	43,828,566	50.3%
Corporate Bonds	12,584,553	12,593,000	12,735,732	14.6%
US Treasury	602,322	600,000	598,636	0.7%
<b>Total Cash and Investments</b>	<b>\$ 86,819,991</b>	<b>\$ 56,998,000</b>	<b>\$ 87,130,539</b>	<b>100.0%</b>

PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 8/31/19	1,132,498	1,132,498	14.3%
Pension Trust Investment as of 8/31/19	6,803,139	6,803,139	85.7%
<b>Total Cash and Investments</b>	<b>\$ 7,935,637</b>	<b>\$ 7,935,637</b>	<b>100.0%</b>

<b>Weighted Average Days to Maturity</b>	<b>642.61</b>
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<b>Blended Yield:</b>	<b>2.220%</b>
<b>Benchmarks:</b>	
LAIF	2.280%
2yr U.S. Treasury	1.630%
5yr U.S. Treasury	1.550%

Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	544,226	544,226
Colonies CFD Area #2 2015	1,732,731	1,732,731
Colonies CFD Area #1 2012	2,385,603	2,385,603
Upland 54 CFD 2004	201,250	201,250
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,458,105	2,458,105
Harvest at Upland CFD 2016-1	8,239,085	8,239,085
<b>Total Restricted Funds</b>	<b>\$ 15,561,000</b>	<b>\$ 15,561,000</b>

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

Reviewed by Finance Officer

Date

City Treasurer

Date

Prepared By: Angela Durham

# **TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

## **State Local Agency Investment Fund**

**For Period Ended  
September 30, 2019**

<b>Fund or Account</b>		<b>Account Balance</b>	
City	95-36-642	21,451,376	
			<b>Market Value (See Note 4)</b>
	<b>Totals</b>	<b>\$ 21,451,376</b>	<b>\$ 21,545,381</b>
<b>Yield for Period Ended</b>	<b>9/30/2019</b>	<b>2.280%</b>	

## TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

### Bank Accounts and Change Funds

For Period Ended  
September 30, 2019

Account Name	Institution	Insured Deposits	Collateralized Deposits	Total Deposits
Petty Cash City of Upland	City of Upland	\$ -	\$ 11,400	\$ 11,400
City of Upland Payroll Zero Balance Account	Chase	-	-	-
City of Upland Checking Account	Chase	250,000	2,670,661	2,920,661
City of Upland Successor Agency	Chase	-	2,949,715	2,949,715
	<b>Totals</b>	<b>\$ 250,000</b>	<b>\$ 5,631,776</b>	<b>\$ 5,881,776</b>

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

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
<u>Government Securities</u>						
FHLMC	Morgan Stanley & Co	3137EADM8	198,817	199,994	1.250%	10/2/2019
FNMA	Deutsche Bank Sec Intl	3135G0R39	1,485,675	1,499,100	1.000%	10/24/2019
FHLB	Wells Fargo Sec LLC	3130AA3R7	1,498,710	1,498,980	1.375%	11/15/2019
FHLB	Wells Fargo Sec LLC	3130A0JR2	205,698	200,180	2.375%	12/13/2019
FHLB	Wells Fargo Sec LLC	3130A7PU3	199,088	199,354	1.200%	4/6/2020
FFCB	Wells Fargo Sec LLC	3133ECPD0	204,100	204,496	1.420%	5/13/2020
FHLB	Federal Home Loan Bks	313382J53	1,508,501	1,498,665	1.750%	9/28/2020
FNMA	Deutsche Bank Sec Intl	3135G0RM7	1,499,295	1,495,245	1.630%	10/30/2020
FNMA	Deutsche Bank Sec Intl	3135G0F73	1,492,515	1,494,690	1.500%	11/30/2020
FFCB	Federal Farm Credit Bks	3133EHYU1	1,236,313	1,250,013	1.840%	9/13/2021
FNMA	Deutsche Bank Sec Intl	3135G0Q89	1,481,400	1,491,495	1.375%	10/7/2021
FFCB	Federal Farm Credit Bks	3133EFPT8	2,020,180	2,009,260	1.960%	11/19/2021
FHLB	Federal Home Loan Bks	3130AFCU9	1,500,000	1,502,415	3.125%	11/26/2021
FHLB	Federal Home Loan Bks	3130AGCU7	1,500,000	1,505,100	2.550%	6/6/2022
FFCB	Federal Farm Credit Bks	3133EKMN3	1,000,000	1,002,360	2.430%	6/3/2022
FHLMC	Federal Home LN Corp	3134GTSD6	1,500,000	1,500,495	2.500%	6/6/2022
FFCB	Federal Farm Credit Bks	3133EKVP8	3,000,000	3,004,950	2.110%	7/22/2022
FFCB	Federal Farm Credit Bks	3133EHYB3	1,232,838	1,250,038	1.940%	9/12/2022
FHLB	Federal Home Loan Bks	3130ACH72	1,247,738	1,250,000	2.260%	10/4/2022
FFCB	Federal Farm Credit Bks	3133EHF73	1,248,850	1,250,013	2.280%	10/17/2022
FHLMC	Federal Home LN Corp	3134GB3A8	1,500,000	1,501,020	2.250%	11/28/2022
FHLMC	Morgan Stanley & Co	3134GTKX0	2,000,000	2,004,540	2.780%	10/30/2023
FHLMC	Morgan Stanley & Co	3134GTDW0	2,000,000	2,008,660	2.750%	4/30/2024
FHLMC	Morgan Stanley & Co	3134GTPF4	1,500,000	1,501,230	2.700%	5/22/2024
FHLMC	Federal Home LN Corp	3134GTRZ8	2,000,000	2,001,520	2.650%	6/4/2024
FHLB	Federal Home Loan Bks	3130AGKB0	2,500,000	2,508,800	2.550%	6/5/2024
FHLMC	Federal Home LN Corp	3134GTRK1	1,000,000	1,002,960	2.550%	6/17/2024
FHLMC	Federal Home LN Corp	3134GTP56	1,500,000	1,502,205	2.300%	7/30/2024
FHLMC	Federal Home LN Corp	3134GTP98	1,500,000	1,501,230	2.400%	7/30/2024
FFCB	Federal Farm Credit Bks	3133EKZN9	1,500,000	1,489,320	2.060%	8/13/2024
FHLMC	Federal Home LN Corp	3134GUBY5	1,500,000	1,500,240	2.000%	9/18/2024
Government Securities Subtotal			43,759,516	43,828,566		
<u>Money Market Fund</u>						
City of Upland						
US Bank		31846V203	2,540,448	2,540,448	0.93%	N/A
Money Market Fund Subtotal			2,540,448	2,540,448		
<u>Corporate Bonds</u>						
Lakeside Bank CD		51210SPT8	250,000	250,105	2.400%	10/30/2019
USNY Bank CD		90344LEQ8	250,000	250,175	2.650%	11/5/2019
Wex Bank Midvale CD		92937CHF8	250,000	250,323	2.550%	12/13/2019
Bank of China CD		06428FMD6	250,000	250,028	1.950%	12/20/2019
Bank Baroda New CD		06063HBF9	250,000	250,528	2.800%	12/27/2019
Customers Bank CD		23204HHM3	250,000	250,038	1.950%	12/30/2019
The Fahey CD		303117CQ6	250,000	250,430	2.500%	1/10/2020
Union Bank CD		90520VAG8	250,000	250,573	2.650%	1/18/2020
Merrick Bank CD		58013J5A3	250,000	250,630	2.700%	1/21/2020
Radius Bank CD		75047ABK9	250,000	250,100	2.000%	1/29/2020
Town and Country CD		89210PBZ5	250,000	250,105	2.000%	1/30/2020
Valley N B CD		919853BX8	250,000	250,745	2.700%	2/7/2020
Iberia Bank CD		45083ALH3	250,000	251,003	2.800%	3/2/2020

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

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
Compass BK CD		20451PWE2	250,000	251,018	2.800%	3/4/2020
Bank of OZK C D		06417NGZ0	250,000	250,873	2.350%	4/9/2020
Unlted Bankers CD		909557HZ6	250,000	251,630	2.850%	5/19/2020
Brookline Bank CD		11373QFU7	250,000	251,790	2.900%	5/29/2020
First Financial CD		32021SFP6	250,000	252,008	2.900%	6/26/2020
Ally Bank Midvale Utah		02007GDM2	250,875	251,755	2.750%	6/29/2020
TCF National Bank CD		87227RCN2	250,000	251,498	2.600%	7/2/2020
Wells Fargo Bank CD		949763SP2	249,873	252,043	2.800%	7/27/2020
Bank Pontiac ILL C D		064455AM0	250,000	251,188	2.350%	8/14/2020
State Street Bank Note		857477AS2	103,593	100,472	2.550%	8/18/2020
Bank of Hope CD		062683BX4	250,000	252,365	2.800%	9/14/2020
Comenity CAP BK CD		20033AXY7	250,000	250,528	2.000%	10/23/2020
First Internet CD		32056GDD9	250,000	253,690	3.000%	12/28/2020
JP Morgan Chase CD		48128F4V1	250,000	250,700	3.000%	1/8/2021
Live Oak CD		538036DX9	250,000	254,023	3.000%	2/9/2021
Eagle Bank CD		27002YDY9	250,000	253,725	2.800%	3/8/2021
CitiBank NA CD		17312QH93	250,000	253,575	2.750%	4/12/2021
Capital One NA CD		14042RFV8	246,218	250,523	2.250%	5/24/2021
B Bay LLC Promissory Notebal		05580ANK8	250,000	255,263	3.000%	7/13/2021
Capital One Bank CD		14042TBG1	250,000	251,355	2.100%	8/2/2021
Abacus Federal CD		00257TBA3	250,000	255,185	2.900%	8/31/2021
First Fid Bank C D		32024FAB7	250,000	255,040	2.850%	9/14/2021
Wells Fargo Bank CD		949763LT1	250,000	252,400	2.250%	12/8/2021
Synchrony Bank CD		87164WYK8	250,000	255,325	2.700%	3/8/2022
Sterling Bank CD		85916VCW3	250,000	257,708	3.100%	3/9/2022
Morgan Stanley CD		61690UFC9	250,000	255,958	2.800%	3/14/2022
American CD		02587DN38	249,875	248,967	2.400%	4/5/2022
First Northeast CD		33583FAB8	239,570	248,188	2.000%	4/19/2022
Old Missouri CD		68002LBL1	250,000	258,195	3.100%	5/5/2022
American Express CD		02587CFU9	250,000	253,105	2.400%	8/29/2022
BMO Harris CD		05581WN35	250,000	250,478	2.850%	9/14/2022
Apple Inc		037833DE7	494,750	608,130	2.400%	1/13/2023
Goldman Sachs CD		38148PYQ4	250,000	258,020	2.800%	2/28/2023
Sallie Mae Bank Salt Lke		795450P86	250,000	261,868	3.200%	5/9/2023
Discover Bank Greenwood Del CD		254673RF5	250,000	263,270	3.300%	7/11/2023
Morgan Stanley C D		61760AZR3	250,000	259,203	2.750%	5/2/2024
Jonesboro St Bank C D		48040PFB6	250,000	250,098	2.050%	9/16/2024
Corporate Bonds Subtotal			12,584,553	12,735,732		
<u>US Treasury</u>						
US T-note	Barclays Capital Inc	912828G61	199,188	199,816	1.500%	11/30/2019
US T-note	Citigroup Global Mkt Inc	912828H52	202,258	199,554	1.250%	1/31/2020
US T-note	Morgan Stanley	912828UV0	200,876	199,266	1.125%	3/31/2020
US Treasury Subtotal			602,322	598,636		
Total Portfolio			\$ 59,486,841	\$ 59,703,382		

# TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

September 30, 2019	Market Value	Availability 09/30/19 10/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
Petty Cash	11,400	10/01/19	1	0.0%	0.00		
Checking Account	2,820,661	10/01/19	1	3.4%	0.03		
Successor Agency	2,949,715	10/01/19	1	3.4%	0.03	5,881,776	
<b>Total Bank Accounts</b>	<b>5,881,776</b>						
<b>State Local Agency Investment Fund</b>	<b>21,545,381</b>	10/01/19	1	24.7%	0.25	21,545,381	
US Bank	2,540,448	10/01/19	1	2.9%	0.03	2,540,448	
<b>Total Money Market Accounts</b>	<b>2,540,448</b>						
Morgan Stanley & Co	199,994	10/02/19	2	0.2%	0.00		
Deutsche Bank Sec Intl	1,499,100	10/24/19	24	1.7%	0.41	1,899,094	
<b>Government Securities</b>	<b>1,699,094</b>						
Lakeside Bank CD	250,105	10/30/19	30	0.3%	0.09	250,105	
<b>Corporate Bonds</b>	<b>250,105</b>						
						<b>31,916,804</b>	<b>1 - 30 days</b>
Wells Fargo Sec LLC	1,498,980	11/15/19	46	1.7%	0.79	1,498,980	
<b>Government Securities</b>	<b>1,498,980</b>						
USNY Bank CD	250,175	11/05/19	36	0.3%	0.10	250,175	
<b>Corporate Bonds</b>	<b>250,175</b>						
						<b>1,749,155</b>	<b>31 - 60 days</b>
Wells Fargo Sec LLC	200,180	12/13/19	74	0.2%	0.17	200,180	
<b>Government Securities</b>	<b>200,180</b>						
Wex Bank Midvale CD	250,323	12/13/19	74	0.3%	0.21		
Bank of China CD	250,028	12/20/19	81	0.3%	0.23		
Bank Baroda New CD	250,528	12/27/19	88	0.3%	0.25		
Customers Bank CD	250,038	12/30/19	91	0.3%	0.26		
The Fahey CD	250,430	01/10/20	102	0.3%	0.29		
Union Bank CD	250,573	01/16/20	108	0.3%	0.31		
Merrick Bank CD	250,630	01/21/20	113	0.3%	0.33	1,752,548	
<b>Corporate Bonds</b>	<b>1,752,548</b>						
Barclays Capital Inc	199,816	11/30/19	61	0.2%	0.14	199,816	
<b>US Treasury</b>	<b>199,816</b>						
						<b>2,152,544</b>	<b>61 - 120 days</b>
Radius Bank CD	250,100	01/29/20	121	0.3%	0.35		
Town and Country CD	250,105	01/30/20	122	0.3%	0.35		
Valley N B CD	250,745	02/07/20	130	0.3%	0.37		
Iberia Bank CD	251,003	03/02/20	154	0.3%	0.44		
Compass BK CD	251,018	03/04/20	156	0.3%	0.45	1,252,970	
<b>Corporate Bonds</b>	<b>1,252,970</b>						
Citigroup Global Mkt Inc	199,554	01/31/20	123	0.2%	0.28	199,554	
<b>US Treasury</b>	<b>199,554</b>						
						<b>1,452,524</b>	<b>121 - 180 days</b>
Wells Fargo Sec LLC	199,354	04/06/20	189	0.2%	0.43		
Wells Fargo Sec LLC	204,498	05/13/20	226	0.2%	0.53		
Federal Home Loan Bks	1,498,665	09/28/20	364	1.7%	6.26	1,902,515	
<b>Government Securities</b>	<b>1,902,515</b>						
Bank of OZK C D	250,673	04/09/20	192	0.3%	0.55		
United Bankers CD	251,630	05/19/20	232	0.3%	0.67		
Brookline Bank CD	251,790	05/29/20	242	0.3%	0.70		
First Financial CD	252,008	06/26/20	270	0.3%	0.78		
Ally Bank Midvale Utah	251,755	06/29/20	273	0.3%	0.79		
TCF National Bank CD	251,498	07/02/20	276	0.3%	0.80		
Wells Fargo Bank CD	252,043	07/27/20	301	0.3%	0.87		
Bank Pontiac ILL C D	251,188	08/14/20	319	0.3%	0.92		
State Street Bank Note	100,472	08/18/20	323	0.1%	0.37		
Bank of Hope CD	252,365	09/14/20	350	0.3%	1.01	2,365,420	
<b>Corporate Bonds</b>	<b>2,365,420</b>						



# TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

September 30, 2019	Market Value	Availability 09/30/19 10/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
Morgan Stanley US Treasury	199,266 199,266	03/31/20	183	0.2%	0.42	199,266	
						<u>4,467,200</u>	181 - 1 year
Deutsche Bank Sec Intl Deutsche Bank Sec Intl Federal Farm Credit Bks Government Securities	1,495,245 1,494,690 1,250,013 4,239,948	10/30/20 11/30/20 09/13/21	396 427 714	1.7% 1.7% 1.4%	6.80 7.33 10.24	4,239,948	
Comenity CAP BK CD First Internet CD JP Morgan Chase CD Live Oak CD Eagle Bank CD CitiBank NA CD Capital One NA CD B Bay LLC Promissory Notebal Capital One Bank CD First Fld Bank C D Corporate Bonds	250,528 253,690 250,700 254,023 253,725 253,575 250,523 255,263 251,355 255,040 2,528,420	10/23/20 12/28/20 01/08/21 02/08/21 03/08/21 04/12/21 05/24/21 07/13/21 08/02/21 09/14/21	389 455 466 498 525 560 602 652 672 715	0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3%	1.12 1.32 1.34 1.45 1.53 1.63 1.73 1.91 1.94 2.09	2,528,420	
						<u>6,768,368</u>	1- 2 years
Deutsche Bank Sec Intl Federal Farm Credit Bks Federal Home Loan Bks Federal Home Loan Bks Federal Farm Credit Bks Federal Home LN Corp Federal Farm Credit Bks Federal Farm Credit Bks Government Securities	1,491,495 2,009,260 1,502,415 1,505,100 1,002,360 1,500,495 3,004,950 1,250,038 13,266,113	10/07/21 11/19/21 11/26/21 05/08/22 06/03/22 06/06/22 07/22/22 09/12/22	738 781 788 949 977 980 1,026 1,078	1.7% 2.3% 1.7% 1.7% 1.2% 1.7% 3.4% 1.4%	12.63 18.01 13.59 16.39 11.24 16.88 35.38 15.47	13,266,113	
Wells Fargo Bank CD Synchorony Bank CD Morgan Stanley CD Sterling Bank CD American CD First Northeast CD Old Missouri CD American Express CD Corporate Bonds	252,400 255,325 255,958 257,708 248,967 248,188 258,185 253,105 2,029,845	12/08/21 03/08/22 03/14/22 03/09/22 04/05/22 04/19/22 05/05/22 08/29/22	800 890 896 891 918 932 948 1,064	0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3%	2.32 2.81 2.63 2.64 2.82 2.65 2.81 3.09	2,029,845	
						<u>15,295,957</u>	2- 3 years
Federal Home Loan Bks Federal Farm Credit Bks Federal Home LN Corp Government Securities	1,250,000 1,250,013 1,501,020 4,001,033	10/04/22 10/17/22 11/28/22	1,100 1,113 1,165	1.4% 1.4% 1.7%	15.78 15.97 19.90	4,001,033	
Abacus Federal CD BMO Harris CD Apple Inc Goldman Sachs CD Sallie Mae Bank Salt Lke Discover Bank Greenwood Del CD Corporate Bonds	255,185 250,478 508,130 258,020 261,868 263,270 1,796,950	10/04/22 09/14/22 01/13/23 02/28/23 05/09/23 07/11/23	1,100 1,080 1,201 1,247 1,317 1,380	0.3% 0.3% 0.6% 0.3% 0.3% 0.3%	3.22 3.10 7.00 3.69 3.96 4.17	1,796,950	
						<u>5,797,883</u>	3- 4 years
Morgan Stanley & Co Morgan Stanley & Co Morgan Stanley & Co Federal Home LN Corp Federal Home Loan Bks Federal Home LN Corp Federal Home LN Corp Federal Home LN Corp Federal Farm Credit Bks Federal Home LN Corp Government Securities	2,004,540 2,008,660 1,501,230 2,001,520 2,508,800 1,002,960 1,502,205 1,501,230 1,489,320 1,500,240 17,020,705	10/30/23 04/30/24 05/22/24 08/04/24 06/05/24 06/17/24 07/30/24 07/30/24 08/13/24 09/18/24	1,491 1,674 1,696 1,709 1,710 1,722 1,765 1,765 1,779 1,815	2.3% 2.3% 1.7% 2.3% 2.9% 1.2% 1.7% 1.7% 1.7% 1.7%	34.30 38.59 29.22 39.26 49.24 19.82 30.43 30.41 30.41 31.25	17,020,705	

# **TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

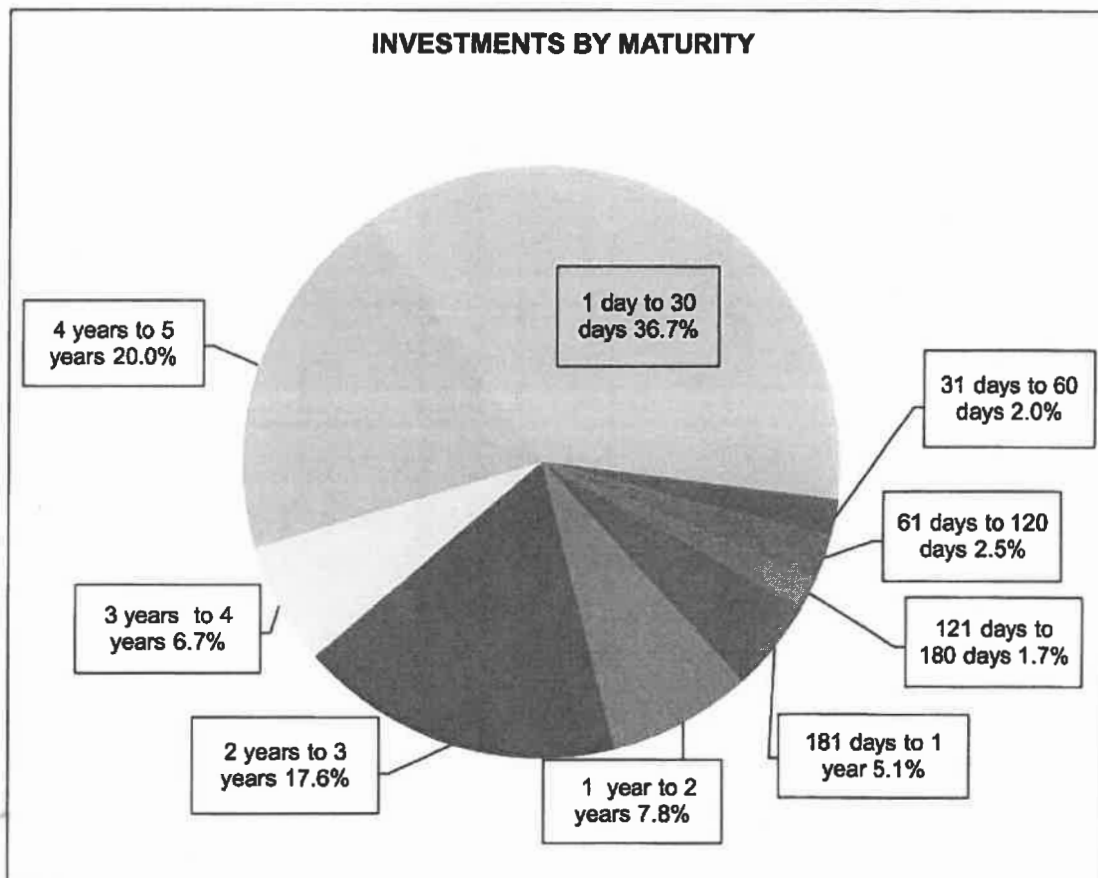
<b>September 30, 2019</b>	<b>Market Value</b>	<b>Availability 09/30/19 10/01/19</b>	<b>No. of days until maturity</b>	<b>weight</b>	<b>days to maturity weighted average</b>	<b>Total by maturity</b>	
Morgan Stanley C D	259,203	05/02/24	1,676	0.3%	4.99		
Jonesboro St Bank C D	250,098	09/16/24	1,813	0.3%	5.20	509,300	
Corporate Bonds	509,300						
						<b>17,530,005</b>	<b>4- 5 years</b>
<b>Total Investments</b>	<b>\$ 87,130,539</b>			<b>100.00%</b>	<b>642.61</b>	<b>\$ 87,130,539</b>	
		Average Maturity in Days		642.61			
		Average Maturity in Years:		1.761			
LAIF Amortized Cost	\$ 97,726,256,515						
LAIF Fair Value	\$ 98,154,515,097						
Check:	1.004382226						

**TREASURY REPORT**  
City of Upland - Successor Agency - Public Financing Authority

**September 30, 2019**

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

Investment Portfolio	1 day to 30 days	31 days to 60 days	61 days to 120 days	121 days to 180 days	181 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years
State Local Agency Investment Fund	21,545	-	-	-	-	-	-	-	-
Bank Accounts and Change Funds	5,882	-	-	-	-	-	-	-	-
ABS	-	-	-	-	-	-	-	-	-
Government Securities	1,699	1,499	200	-	1,903	4,240	13,266	4,001	17,021
Money Market Fund	2,540	-	-	-	-	-	-	-	-
Corporate Bonds	250	250	1,753	1,253	2,365	2,528	2,030	1,797	509
US Treasury	-	-	200	200	199	-	-	-	-
<b>Total Cash and Investments</b>	<b>31,916</b>	<b>1,749</b>	<b>2,153</b>	<b>1,453</b>	<b>4,467</b>	<b>6,768</b>	<b>15,296</b>	<b>5,798</b>	<b>17,530</b>
<b>Percentage</b>	<b>36.7%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>1.7%</b>	<b>5.1%</b>	<b>7.8%</b>	<b>17.6%</b>	<b>6.7%</b>	<b>20.0%</b>



# **EXHIBIT 6**

## TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

For Period Ended  
October 31, 2019

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 21,590,037	N/A	\$ 21,756,339	24.3%
Bank Accounts and Change Funds	7,486,501	N/A	7,486,501	8.4%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	5,876,233	N/A	5,876,233	6.6%
Government Agency Securities	40,828,637	40,855,000	40,886,056	45.9%
Corporate Bonds	12,334,553	12,343,000	12,484,370	14.0%
US Treasury	602,322	600,000	599,372	0.7%
<b>Total Cash and Investments</b>	<b>\$ 88,718,283</b>	<b>\$ 53,798,000</b>	<b>\$ 89,088,871</b>	<b>100.0%</b>

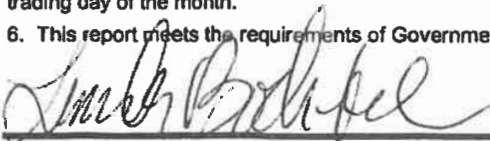
PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 10/31/19	1,147,121	1,147,121	14.3%
Pension Trust Investment as of 10/31/19	6,860,273	6,860,273	85.7%
<b>Total Cash and Investments</b>	<b>\$ 8,007,392</b>	<b>\$ 8,007,392</b>	<b>100.0%</b>

<b>Weighted Average Days to Maturity</b>	<b>602.55</b>
--	---------------

<b>Blended Yield:</b>	<b>2.200%</b>
<b>Benchmarks:</b>	
LAIF	2.190%
2yr U.S. Treasury	1.520%
5yr U.S. Treasury	1.510%

Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	14	14
Colonies CFD Area #2 2015	1,732,999	1,732,999
Colonies CFD Area #1 2012	2,385,968	2,385,968
Upland 54 CFD 2004	201,281	201,281
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,458,498	2,458,498
Harvest at Upland CFD 2016-1	8,250,244	8,250,244
<b>Total Restricted Funds</b>	<b>\$ 15,029,004</b>	<b>\$ 15,029,004</b>

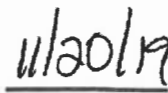
- I hereby certify that the investments are in compliance with the investment policy adopted by the City Council in June 2018.
- The City has the ability to meet its budgeted expenditures for the next six months.
- The market values for funds held in banking institutions do not change. The amounts listed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



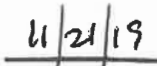
Reviewed by Finance Officer



Interim City Manager



Date



Date

# **TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

## **State Local Agency Investment Fund**

**For Period Ended  
October 31, 2019**

<b>Fund or Account</b>		<b>Account Balance</b>	
City		95-36-642	21,590,037
			<b>Market Value (See Note 4)</b>
<b>Totals</b>		<b>\$ 21,590,037</b>	<b>\$ 21,756,339</b>
<b>Yield for Period Ended</b>	<b>10/31/2019</b>	<b>2.190%</b>	

# **TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

## **Bank Accounts and Change Funds**

**For Period Ended  
October 31, 2019**

<b>Account Name</b>	<b>Institution</b>	<b>Insured Deposits</b>	<b>Collateralized Deposits</b>	<b>Total Deposits</b>
Petty Cash City of Upland	City of Upland	\$ -	\$ 11,400	\$ 11,400
City of Upland Payroll Zero Balance Account	Chase	-	-	-
City of Upland Checking Account	Chase	250,000	4,275,387	4,525,387
City of Upland Successor Agency	Chase	-	2,949,715	2,949,715
	<b>Totals</b>	<b>\$ 250,000</b>	<b>\$ 7,236,501</b>	<b>\$ 7,486,501</b>

**TREASURY REPORT**  
City of Upland - Successor Agency - Public Financing Authority  
For Period Ended  
October 31, 2019

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
Iberia Bank CD		45083ALH3	250,000	251,048	2.800%	3/2/2020
Compass BK CD		20451PWE2	250,000	251,063	2.800%	3/4/2020
Bank of OZK C D		06417NGZ0	250,000	250,838	2.350%	4/9/2020
United Bankers CD		909557HZ6	250,000	251,718	2.850%	5/19/2020
Brookline Bank CD		11373QFU7	250,000	251,878	2.900%	5/29/2020
First Financial CD		32021SFP6	250,000	252,108	2.900%	6/26/2020
Ally Bank Midvale Utah		02007GDM2	250,875	251,888	2.750%	6/29/2020
TCF National Bank CD		87227RCN2	250,000	251,670	2.600%	7/2/2020
Wells Fargo Bank CD		949763SP2	249,873	252,210	2.800%	7/27/2020
Bank Pontiac ILL C D		084455AM0	250,000	251,433	2.350%	8/14/2020
State Street Bank Note		857477AS2	103,593	100,537	2.550%	8/18/2020
Bank of Hope CD		062683BX4	250,000	252,488	2.800%	9/14/2020
Comenity CAP BK CD		20033AXY7	250,000	250,750	2.000%	10/23/2020
First Internet CD		32056GDD9	250,000	253,703	3.000%	12/28/2020
JP Morgan Chase CD		48128F4V1	250,000	250,630	3.000%	1/8/2021
Live Oak CD		538036DX9	250,000	254,035	3.000%	2/9/2021
Eagle Bank CD		27002YDY9	250,000	253,768	2.800%	3/8/2021
CitiBank NA CD		17312QH93	250,000	253,643	2.750%	4/12/2021
Capital One NA CD		14042RFV8	246,218	250,730	2.250%	5/24/2021
B Bay LLC Promissory Notebal		05580ANK6	250,000	255,230	3.000%	7/13/2021
Capital One Bank CD		14042TBG1	250,000	251,495	2.100%	8/2/2021
Abacus Federal CD		00257TBA3	250,000	255,145	2.900%	8/31/2021
First Fid Bank C D		32024FAB7	250,000	255,010	2.850%	9/14/2021
Wells Fargo Bank CD		949763LT1	250,000	252,408	2.250%	12/8/2021
Synchrony Bank CD		87164WYK8	250,000	255,078	2.700%	3/8/2022
Sterling Bank CD		85916VCW3	250,000	257,380	3.100%	3/9/2022
Morgan Stanley CD		61690UFC9	250,000	255,680	2.800%	3/14/2022
American CD		02587DN38	249,675	248,760	2.400%	4/5/2022
First Northeast CD		33583FAB8	239,570	248,010	2.000%	4/19/2022
Old Missouri CD		68002LBL1	250,000	257,755	3.100%	5/5/2022
American Express CD		02587CFU9	250,000	252,555	2.400%	8/29/2022
BMO Harris CD		05581WN35	250,000	250,373	2.850%	9/14/2022
Apple Inc		037833DE7	494,750	509,530	2.400%	1/13/2023
Goldman Sachs CD		38148PYQ4	250,000	257,230	2.800%	2/28/2023
Sallie Mae Bank Salt Lke		795450P66	250,000	261,030	3.200%	5/9/2023
Discover Bank Greenwood Del CD		254673RF5	250,000	262,443	3.300%	7/11/2023
Morgan Stanley C D		61760AZR3	250,000	258,860	2.750%	5/2/2024
Jonesboro St Bank C D		48040PFB6	250,000	250,160	2.050%	9/16/2024
Corporate Bonds Subtotal			12,334,553	12,484,370		
<u>US Treasury</u>						
US T-note	Barclays Capital Inc	912828G61	199,188	199,942	1.500%	11/30/2019
US T-note	Citigroup Global Mkt Inc	912828H52	202,258	199,828	1.250%	1/31/2020
US T-note	Morgan Stanley	912828UV0	200,876	199,602	1.125%	3/31/2020
US Treasury Subtotal			602,322	599,372		
Total Portfolio			\$ 59,641,747	\$ 59,846,031		



**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

	Market Value	Availability 10/31/19 11/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
<b>October 31, 2019</b>							
Petty Cash	11,400	11/01/19	1	0.0%	0.00		
Checking Account	4,525,387	11/01/19	1	5.1%	0.05		
Successor Agency	2,949,715	11/01/19	1	3.3%	0.03	7,486,501	
<b>Total Bank Accounts</b>	<b>7,486,501</b>						
<b>State Local Agency Investment Fund</b>	<b>21,756,339</b>	11/01/19	1	24.4%	0.24	21,756,339	
US Bank	5,876,233	11/01/19	1	6.6%	0.07	5,876,233	
<b>Total Money Market Accounts</b>	<b>5,876,233</b>						
Wells Fargo Sec LLC	1,499,850	11/15/19	15	1.7%	0.25	1,499,850	
<b>Government Securities</b>	<b>1,499,850</b>						
USNY Bank CD	250,038	11/05/19	5	0.3%	0.01	250,038	
<b>Corporate Bonds</b>	<b>250,038</b>						
Barclays Capital Inc	199,942	11/30/19	30	0.2%	0.07	199,942	
<b>US Treasury</b>	<b>199,942</b>						
						<b>37,068,903</b>	<b>1 - 30 days</b>
Wells Fargo Sec LLC	200,140	12/13/19	43	0.2%	0.10	200,140	
<b>Government Securities</b>	<b>200,140</b>						
Wex Bank Midvale CD	250,290	12/13/19	43	0.3%	0.12		
Bank of China CD	250,133	12/20/19	50	0.3%	0.14		
Bank Baroda New CD	250,470	12/27/19	57	0.3%	0.16		
Customers Bank CD	250,155	12/30/19	60	0.3%	0.17	1,001,048	
<b>Corporate Bonds</b>	<b>1,001,048</b>						
						<b>1,201,188</b>	<b>31 - 60 days</b>
The Fahey CD	250,460	01/10/20	71	0.3%	0.20		
Union Bank CD	250,580	01/16/20	77	0.3%	0.22		
Merrick Bank CD	250,643	01/21/20	82	0.3%	0.23		
Radius Bank CD	250,275	01/29/20	90	0.3%	0.25		
Town and Country CD	250,280	01/30/20	91	0.3%	0.26		
Valley N B CD	250,785	02/07/20	99	0.3%	0.28	1,503,023	
<b>Corporate Bonds</b>	<b>1,503,023</b>						
Citigroup Global Mkt Inc	199,828	01/31/20	92	0.2%	0.21	199,828	
<b>US Treasury</b>	<b>199,828</b>						
						<b>1,702,851</b>	<b>61 - 120 days</b>
Wells Fargo Sec LLC	199,686	04/06/20	158	0.2%	0.35	199,686	
<b>Government Securities</b>	<b>199,686</b>						
Iberia Bank CD	251,048	03/02/20	123	0.3%	0.35		
Compass BK CD	251,063	03/04/20	125	0.3%	0.35		
Bank of OZK C D	250,838	04/09/20	161	0.3%	0.45	752,948	
<b>Corporate Bonds</b>	<b>752,948</b>						
Morgan Stanley	199,602	03/31/20	152	0.2%	0.34	199,602	
<b>US Treasury</b>	<b>199,602</b>						
						<b>1,152,236</b>	<b>121 - 180 days</b>
Wells Fargo Sec LLC	204,783	05/13/20	195	0.2%	0.45		
Federal Home Loan Bks	1,501,560	09/28/20	333	1.7%	5.61		
Deutsche Bank Sec Intl	1,498,785	10/30/20	365	1.7%	6.14	3,205,128	
<b>Government Securities</b>	<b>3,205,128</b>						
United Bankers CD	251,718	05/19/20	201	0.3%	0.57		
Brookline Bank CD	251,878	05/29/20	211	0.3%	0.60		
First Financial CD	252,108	06/26/20	239	0.3%	0.68		
Ally Bank Midvale Utah	251,888	06/29/20	242	0.3%	0.68		
TCF National Bank CD	251,670	07/02/20	245	0.3%	0.69		
Wells Fargo Bank CD	252,210	07/27/20	270	0.3%	0.76		
Bank Pontiac ILL C D	251,433	08/14/20	288	0.3%	0.81		
State Street Bank Note	100,537	08/18/20	292	0.1%	0.33		
Bank of Hope CD	252,488	09/14/20	319	0.3%	0.90		
Comenity CAP BK CD	250,750	10/23/20	358	0.3%	1.01	2,366,677	
<b>Corporate Bonds</b>	<b>2,366,677</b>						

# TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

October 31, 2019	Market Value	Availability 10/31/19 11/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
						<b>5,571,805</b>	<b>181 - 1 year</b>
Deutsche Bank Sec Intl	1,498,485	11/30/20	396	1.7%	6.66		
Federal Farm Credit Bks	1,250,025	09/13/21	683	1.4%	9.58		
Deutsche Bank Sec Intl	1,494,525	10/07/21	707	1.7%	11.86	4,243,035	
<b>Government Securities</b>	<b>4,243,035</b>						
First Internet CD	253,703	12/28/20	424	0.3%	1.21		
JP Morgan Chase CD	250,630	01/08/21	435	0.3%	1.22		
Live Oak CD	254,035	02/09/21	467	0.3%	1.33		
Eagle Bank CD	253,768	03/08/21	494	0.3%	1.41		
CitiBank NA CD	253,643	04/12/21	529	0.3%	1.51		
Capital One NA CD	250,730	05/24/21	571	0.3%	1.61		
B Bay LLC Promissory Notebal	255,230	07/13/21	621	0.3%	1.78		
Capital One Bank CD	251,495	08/02/21	641	0.3%	1.81		
First Fid Bank C D	255,010	09/14/21	684	0.3%	1.96		
Abacus Federal CD	255,145	08/31/21	670	0.3%	1.92	2,533,388	
<b>Corporate Bonds</b>	<b>2,533,388</b>						
						<b>6,776,423</b>	<b>1- 2 years</b>
Federal Farm Credit Bks	2,014,780	11/19/21	750	2.3%	16.96		
Federal Home Loan Bks	1,501,215	11/26/21	757	1.7%	12.76		
Federal Home Loan Bks	1,505,775	05/06/22	918	1.7%	15.52		
Federal Farm Credit Bks	1,002,360	06/03/22	946	1.1%	10.64		
Federal Home LN Corp	1,500,345	06/06/22	949	1.7%	15.98		
Federal Farm Credit Bks	3,005,490	07/22/22	995	3.4%	33.57		
Federal Farm Credit Bks	1,250,050	09/12/22	1,047	1.4%	14.69	11,780,015	
<b>Government Securities</b>	<b>11,780,015</b>						
Wells Fargo Bank CD	252,408	12/08/21	769	0.3%	2.18		
Synchrony Bank CD	255,078	03/08/22	859	0.3%	2.46		
Morgan Stanley CD	255,680	03/14/22	865	0.3%	2.48		
Sterling Bank CD	257,380	03/09/22	860	0.3%	2.48		
American CD	248,760	04/05/22	887	0.3%	2.48		
First Northeast CD	248,010	04/19/22	901	0.3%	2.51		
Old Missouri CD	257,755	05/05/22	917	0.3%	2.65		
American Express CD	252,555	08/29/22	1,033	0.3%	2.93		
BMO Harris CD	250,373	09/14/22	1,049	0.3%	2.95	2,277,998	
<b>Corporate Bonds</b>	<b>2,277,998</b>						
						<b>14,058,013</b>	<b>2- 3 years</b>
Federal Home LN Corp	1,500,540	11/28/22	1,124	1.7%	18.93		
Morgan Stanley & Co	2,003,540	10/30/23	1,460	2.2%	32.83	3,504,080	
<b>Government Securities</b>	<b>3,504,080</b>						
Apple Inc	509,530	01/13/23	1,170	0.6%	6.69		
Goldman Sachs CD	257,230	02/28/23	1,216	0.3%	3.51		
Sallie Mae Bank Salt Lke	261,030	05/09/23	1,286	0.3%	3.77		
Discover Bank Greenwood Del CD	262,443	07/11/23	1,349	0.3%	3.97	1,290,233	
<b>Corporate Bonds</b>	<b>1,290,233</b>						
						<b>4,794,313</b>	<b>3- 4 years</b>
Morgan Stanley & Co	2,007,640	04/30/24	1,643	2.3%	37.03		
Morgan Stanley & Co	1,500,555	05/22/24	1,665	1.7%	28.04		
Federal Home LN Corp	2,000,840	06/04/24	1,678	2.2%	37.69		
Federal Home Loan Bks	2,508,200	08/05/24	1,679	2.8%	47.27		
Federal Home LN Corp	1,002,780	08/17/24	1,691	1.1%	19.03		
Federal Home LN Corp	1,502,115	07/30/24	1,734	1.7%	29.24		
Federal Home LN Corp	1,501,035	07/30/24	1,734	1.7%	29.22		
Federal Farm Credit Bks	1,491,510	08/13/24	1,748	1.7%	29.26		
Federal Home LN Corp	1,500,585	09/18/24	1,784	1.7%	30.05		
Federal Home Loan Bks	1,238,863	10/02/24	1,798	1.4%	25.00	16,254,123	
<b>Government Securities</b>	<b>16,254,123</b>						

# **TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

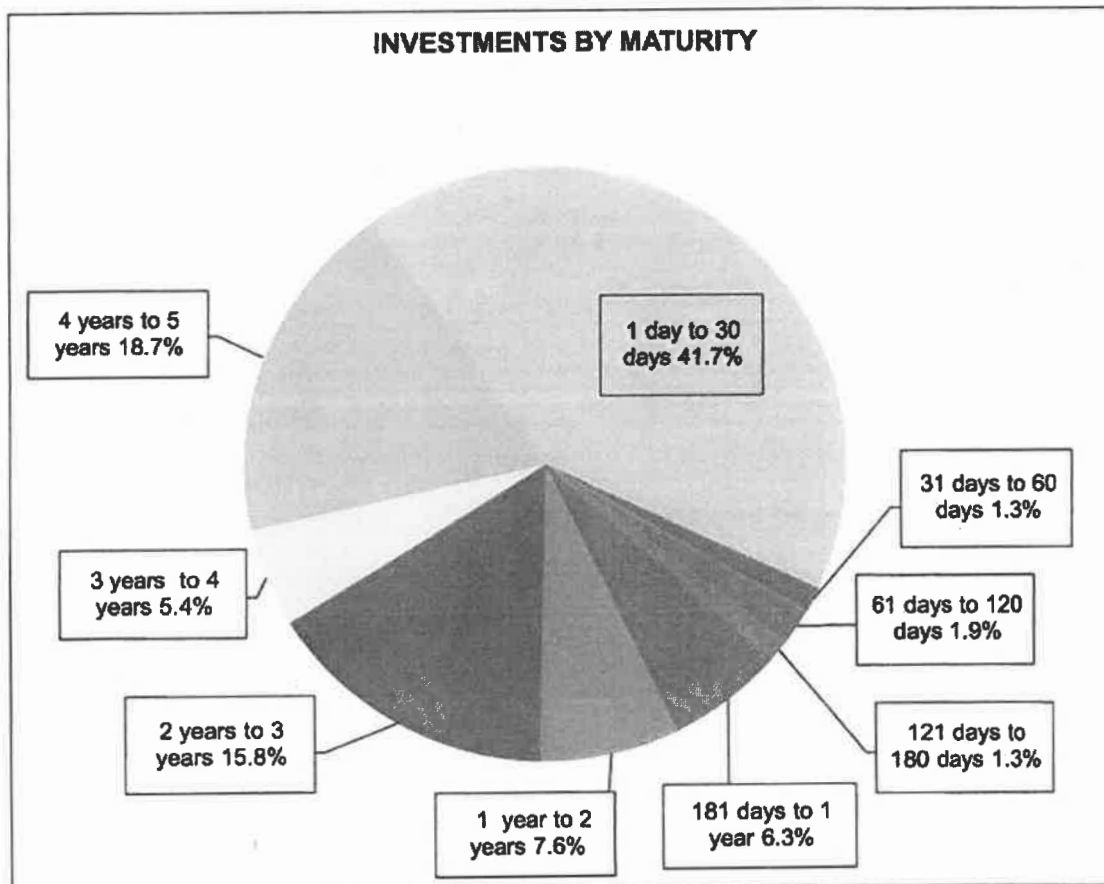
October 31, 2019	Market Value	Availability	No. of days until maturity	weight	days to maturity	Total by maturity	
		10/31/19 11/01/19			weighted average		
Morgan Stanley C D	258,860	05/02/24	1,645	0.3%	4.78		
Jonesboro St Bank C D	250,160	09/16/24	1,782	0.3%	5.00	509,020	
Corporate Bonds	509,020						
						<u>16,763,143</u>	4- 5 years
Total Investments	<u>\$ 89,088,871</u>			100.00%	602.55	<u>\$ 89,088,871</u>	
		Average Maturity in Days	602.55				
		Average Maturity in Years:	1.651				
LAIF Amortized Cost	\$ 91,358,769,998						
LAIF Fair Value	<u>\$ 92,062,479,216</u>						
Check:	1.007702700						

**TREASURY REPORT**  
City of Upland - Successor Agency - Public Financing Authority

October 31, 2019

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

Investment Portfolio	1 day to 30 days	31 days to 60 days	61 days to 120 days	121 days to 180 days	181 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years
State Local Agency Investment Fund	21,756	-	-	-	-	-	-	-	-
Bank Accounts and Change Funds	7,487	-	-	-	-	-	-	-	-
ABS	-	-	-	-	-	-	-	-	-
Government Securities	1,500	200	-	200	3,205	4,243	11,780	3,504	16,254
Money Market Fund	5,876	-	-	-	-	-	-	-	-
Corporate Bonds	250	1,001	1,503	753	2,367	2,533	2,278	1,290	509
US Treasury	200	-	200	200	-	-	-	-	-
<b>Total Cash and Investments</b>	<b>37,069</b>	<b>1,201</b>	<b>1,703</b>	<b>1,153</b>	<b>5,572</b>	<b>6,776</b>	<b>14,058</b>	<b>4,794</b>	<b>16,763</b>
<b>Percentage</b>	<b>41.7%</b>	<b>1.3%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>6.3%</b>	<b>7.6%</b>	<b>15.8%</b>	<b>5.4%</b>	<b>18.7%</b>



# **EXHIBIT 7**

## EXHIBIT 14

California  
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## GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57550] ( Title 5 added by Stats. 1949, Ch. 81. )

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] ( Division 2 added by Stats. 1949, Ch. 81. )

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] ( Part 1 added by Stats. 1949, Ch. 81. )

CHAPTER 4. Financial Affairs [53600 - 53997] ( Chapter 4 added by Stats. 1949, Ch. 81. )

ARTICLE 2. Deposit of Funds [53630 - 53686] ( Article 2 added by Stats. 1949, Ch. 81. )

53646. (a) (1) In the case of county government, the treasurer may annually render to the board of supervisors and any oversight committee a statement of investment policy, which the board shall review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the board at a public meeting.

(2) In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

(b) (1) The treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. Except as provided in subdivisions (e) and (f), this report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities,

investments, or moneys held by the school district or county office of education in individual accounts that are less than twenty-five thousand dollars (\$25,000).

(g) In recognition of the state and local interests served by the actions made optional in subdivisions (a) and (b), the Legislature encourages the local agency officials to continue taking the actions formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

*(Amended by Stats. 2009, Ch. 332, Sec. 68.5. (SB 113) Effective January 1, 2010.)*

# **EXHIBIT 8**



**RESOLUTION NO. 6504**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UPLAND  
AMENDING THE POLICIES AND PROCEDURES RELATIVE TO THE  
ESTABLISHMENT AND OPERATION OF COMMISSIONS,  
COMMITTEES, BOARDS, AND AUTHORITIES APPOINTED TO  
ADVISE THE CITY COUNCIL**

**Intent of the Parties and Findings**

(i) The use of citizen Commissions, Committees, Boards, and Authorities to advise the City Council on issues of public concern is an efficient and effective means of involving citizens in policy development; and

(ii) Chapter 2.16 and Section 2.20.030 of the Upland Municipal Code provides that the City Council shall by resolution, establish a process for the screening of individuals desiring to serve as City Commission, Committee, Boards or Authority members; and

(iii) The effective use of these Commissions, Committees, Boards, and Authorities is furthered by clear guidelines governing their creation and operation; and

(iv) The City Council adopted Resolution No. 4331 which established guidelines governing the creation and operation of established Commissions, Committees, Boards and Authorities; and

(v) From time to time there is a need to eliminate or amend the established rules governing the operation and creation of Commissions, Committees, Boards, and Authorities, which was the basis for the adoption of Resolutions No. 5786, 6038, 6270, and 6397; and

(vi) The City desires to provide a fair and equitable manner by which citizens are appointed to City Commissions, Committees, Boards, and Authorities, which is free of undue influence, but which advances the authority provided by Government Code Section 40605; and

(vii) The City Council may establish standing committees of the legislative body to provide an opportunity for fact finding prior to consideration by the entire Council; and

(viii) The City Council established the Recreation Committee by Resolution No. 4839 on June 9, 1997, and rescinded previously adopted Resolution Nos. 2600, 3324, 3626, 4212 and 4474 and amended Resolution Nos. 4331 and 5007; and

(ix) The City Council later amended the composition of the Recreation Committee with Resolution No. 5007, dated February 8, 1999, adding two School Board Members to the Committee; and

(x) The City Council added the Finance & Economic Development Committee, Police & Fire Committee, and Public Works Committee with Resolution No. 5290, dated December 10, 2001.

(xi) The Council amended the Standing Legislative Committees by Resolution No. 6397 to include Economic Development Committee, Police & Fire Committee, Public Works Committee, and Investments Committee.

(xii) The City Council established the Litigation Committee by Resolution No. 6447 dated May 29, 2018.

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

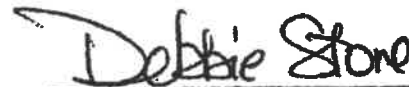
**Section 1. The City Council hereby amends the established guidelines for Authorities, Boards, Committees, and Commissions of the City (as attached) including incorporating, by reference, all prior actions taken by the City Council to eliminate or modify Committees, to the extent they are not inconsistent with the attached guidelines.**

**Section 2. Amend the Standing Legislative Committees to Include Economic Development Committee, Finance Committee, Police & Fire Committee, and Public Works Committee.**

**Section 2. The City Council hereby further amends the established guidelines for Authorities, Boards, Committees and Commissions of the City (as attached) to include guidelines for standing legislative committees.**

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

**PASSED, APPROVED and ADOPTED this 12th day of August, 2019.**



**Debbie Stone, Mayor**

**I, Keri Johnson, City Clerk of the City of Upland, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 12th day of August, 2019, by the following vote:**

<b>AYES:</b>	<b>Mayor Stone, Councilmembers Elliott, Felix, Velto, Zuniga</b>
<b>NOES:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>
<b>ABSTAINED:</b>	<b>None</b>

**ATTEST:**

  
**Keri Johnson, City Clerk**

## **COMMISSIONS, COMMITTEES, BOARDS, AND AUTHORITIES**

### **SECTION 1. CREATION OF COMMISSIONS, COMMITTEES, BOARDS, AND AUTHORITIES**

The Upland City Council shall have the power from time to time by resolution to create such Commissions, Committees, Boards, and Authorities which are necessary or deemed advisable by the Council to carry out the governmental functions of the City in the manner reflecting the best interest of its citizens. The number of members to each Commission, Committee, Board, and/or Authority shall unless otherwise required by law, correspond to the number of members of the appointing body as authorized by law. Each active member of the Upland City Council shall have an appointee on each Commission, Committee, Board and/or Authority. Each appointee shall be a citizen nominated by the Mayor or Councilmember, respectively, and approved by a majority vote of the City Council and appointed by the Mayor.

### **SECTION 2. DEFINITION**

"Commission" shall be any group established pursuant to the Upland Municipal Code. "Committee" shall be any group of individuals which shall have any ongoing charge from the City Council and which are formed by resolution. "Committee" shall not include Committees composed solely of elected officials. "Board" shall be any group formed pursuant to State law providing for same. "Authority" shall be any group formed pursuant to State law providing for same. "Standing Legislative Committee" shall include committees comprised of elected officials who will review operational concerns prior to official council action.

### **SECTION 3. APPLICABILITY**

The provisions of this resolution shall apply to all Commissions, Committees, Boards, and Authorities hereafter created by resolution of the City Council and to existing Commissions, Committees, Boards, and Authorities as identified on the attachments hereto. The provisions of this resolution shall supersede any minute motion or resolution of any prior City Council of Upland which is in conflict with the provisions of this document. Insofar as possible, the provisions of this resolution shall govern the operation and creation of Commissions, Committees, Boards, and Authorities appointed by the City Council except in those instances where the provisions of this resolution conflict with provisions of State or Federal law.

### **SECTION 4. APPOINTMENT AND APPLICATION PROCESS**

The City Clerk shall maintain a roster of individuals who expressed interest in serving on City Commissions, Committees, Boards, and Authorities, who may be nominated by a serving member of the City Council, and who have completed an application form in a manner established or approved by the City Council. Said application shall indicate among other things, the Commission, Committee, Board, or Authority on which said individual is interested in serving. Any application filed shall be valid for a period of three (3) years. Incumbent Commission, Committee, Board, or Authority members shall submit an application prior to the end of their term if they would like to be considered for reappointment. Members of the City Council shall make appointments from this roster.

## **SECTION 5. SELECTION AND APPOINTMENT**

Members of the City Council requiring representation on a particular Commission, Committee, Board, or Authority shall review the list of applicants and submit a nominee to the City Clerk. The City Clerk shall place nominations before the City Council for its review and approval as and when necessary.

For selections made by the Mayor and ratified by the City Council, the Mayor shall review the list of applicants and submit a nominee to the City Clerk. The City Clerk shall place the nominations before the City Council for its review and approval as and when necessary.

In appointing Planning Commissioners, the Mayor shall establish an interview panel composed of the Mayor (or another Councilmember appointed by the Mayor), the Mayor Pro Tem (or another Councilmember appointed by the Mayor), the Chair of the Planning Commission, and the Development Services Director (advisory). All applicants will be interviewed and the interview panel shall recommend to the Mayor at least one of those which a majority of the interview panel believe to be qualified. The Mayor shall appoint the Commissioners for ratification by the Council.

Appointments to standing legislative committees (Economic Development, Finance Committee, Police & Fire Committee, and Public Works Committee) are made by the Mayor biannually to coincide with elections and may be reviewed and reassigned annually or as needed.

## **SECTION 6. TERMS OF COMMISSION, COMMITTEES, BOARDS, AND AUTHORITIES**

For Council nominated appointments the term of each Commission, Committee, Board, and Authority member shall coincide with the holding of office by the nominating member of the City Council, unless otherwise prescribed by resolution creating the Commission, Committee, Board, or Authority.

For appointments made by the Mayor, the term shall be as outlined in the creation of the Commission, Committee, Board, or Authority.

No Commission, Committee, Board, or Authority member shall serve for more than two (2) consecutive terms on any individual Committee, Commission, Board, or Authority without the approval of the City Council by an affirmative 4/5ths vote.

## **SECTION 7. REMOVAL FROM COMMISSION, COMMITTEES, BOARDS, AND AUTHORITIES**

Any Committee, Commission, Board, or Authority member may be removed from office during their unexpired term upon 4/5ths vote of the City Council, when in the sole discretion of the Council said removal is deemed appropriate. Notwithstanding the foregoing, if the appointee's nominating Councilmember is no longer a part of the Upland City Council or Mayor, that appointee shall be deemed to have automatically resigned the seat they hold upon the filling of the City Council vacancy.

## **SECTION 8. RESIDENCY OF COMMISSION, COMMITTEE, BOARD, AND AUTHORITY MEMBERS**

In order to be appointed to a Commission, Committee, Board, or Authority, a prospective appointee must be a resident of the City of Upland and must remain in residence throughout

the term of their appointment, unless a member is appointed by another entity. This provision may be waived upon an affirmative 4/5ths vote of the Council.

#### **SECTION 9. CHAIRPERSON SELECTION**

With the exception of the Planning Commission, the Library Board, and the Personnel Board of Review, the member appointed by the Mayor to any Commission, Committee, Board, and/or Authority shall serve as the Chairperson of that body. With regard to the Planning Commission, the Library Board, and the Personnel Board of Review, the members of said bodies shall select, nominate, and appoint by majority consensus, a sitting member of the Body to the position of Chairperson. The term of the Chairperson shall be for 2 years. No Chairperson shall serve for more than two (2) consecutive terms without the approval of the City Council by an affirmative 4/5ths vote.

#### **SECTION 10. POSTING REQUIRED**

The City Clerk shall, before December 31<sup>st</sup> of each year, develop a listing of all scheduled vacancies on City Commissions, Committees, Boards, and/or Authorities expected during the next twelve (12) months. In addition to the requirement of the Government Code, said list shall be posted at City buildings and other locations as may be designated from time to time by City Council resolution, for a period of thirty (30) days and announced at a Council meeting in December. Said listing shall advise interested parties to obtain application forms and related materials at the City Clerk's office. In addition, the City Clerk shall publish said list in the city newsletter seeking applications from interested parties and listing scheduled vacancies during the same thirty (30) day period. Unscheduled vacancies shall be advertised in accordance with the Government Code and posted at the same location as scheduled vacancies.

#### **SECTION 11. DUTIES**

The Commissions, Committees, Boards, and Authorities established by the Council shall perform such duties and have such powers as may be established from time to time by the Council.

#### **SECTION 12. ATTENDANCE**

In any case where a Commission, Committee, Board, and/or Authority member has missed three (3) regularly scheduled meetings in a twelve (12) month period without notifying the Chair of said Commission, Committee, Board, and/or Authority in advance of said meeting, the City Clerk shall contact the Commission, Committee, Board, and/or Authority member with a request to provide the reasons therefore, which shall be forwarded to the City Council.

#### **SECTION 13. OPEN MEETINGS**

All Commission, Committee, Board, and Authority meetings shall be conducted pursuant to the provisions of the Ralph M. Brown Act and the City Clerk shall maintain a copy of all agendas and minutes of all meetings.

## **BUILDING APPEALS BOARD**

### **PURPOSE**

To determine the suitability of alternate materials and methods of construction and to provide reasonable interpretations of the Uniform Building Code, Uniform Mechanical Code, Uniform Plumbing Code, the Uniform Housing Code, Uniform Code for the Abatement of Dangerous Buildings, National Electric Code, and the Seismic Hazards Reduction Ordinance.

### **MEMBERSHIP**

5 Members Total

Selected from the following classifications:

- a. Architect or Engineer
- b. Attorney
- c. Contractor – Electrical, Mechanical, Plumbing or General

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

4 Year Term / Meetings are scheduled as needed as appeals are received.

No member may serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council

### **SELECTION PROCESS**

- The City Clerk causes a request for volunteers to be posted
- Using the criteria for membership, the Building Official determines if applicants are qualified and passes all qualified candidates to the City Clerk
- Each member of the City Council shall submit their nomination from the list of qualified candidates to the City Clerk for consideration at a Council meeting

### **CODE REFERENCES**

Resolution 4107  
Resolution 2725  
Ordinance 1882

(effective July 27, 1992)

## **CITY COUNCIL ADVISORY COMMITTEE**

### **PURPOSE**

Review of any matters which may be referred to the Committee from time to time. If so directed, the City Council Advisory Committee will be responsible for performing an analysis and present recommendations to the City Council.

### **MEMBERSHIP**

5 Members Total  
Nominated by Councilmembers

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- 4 year terms to coincide with the terms of Mayor and Councilmember making nomination
- No applicant may serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council
- Meets quarterly, the first Wednesday of March, June, September and December

### **SELECTION PROCESS**

Each member of the City Council shall submit their nomination to the City Clerk for consideration at a Council meeting.

### **CODE REFERENCE**

Ordinance 1812, 10/8/2006  
Ordinance 1428, Section 2, 6/20/88  
Ordinance 1416, Section 1, 12/21/87  
Ordinance 1563, Section 1, 10/26/72  
Council Minutes 7/3/72

## **COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE**

### **PURPOSE**

Annually review applications for Community Development Block Grant funds, conduct hearings to determine the most effective use of the grant funds and provide recommendations to the City Council.

### **MEMBERSHIP**

5 Members Total  
Nominated by Councilmembers

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- 4 year terms to coincide with the terms of Mayor and Councilmember making nomination
- No applicant may serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council
- Meetings held from January through April, with additional meetings on an as needed basis

### **SELECTION PROCESS**

Each member of the City Council shall submit their nomination to the City Clerk for consideration at a Council meeting.

### **CODE REFERENCE**

- Council Minutes 3/14/89



## **LIBRARY BOARD**

### **PURPOSE**

The Upland Public Library serves the community by providing materials and staff assistance for meeting the informal and educational needs of the library users.

### **MEMBERSHIP**

- 5 Citizens at Large
- 1 Council Liaison (advisory)
- 1 Friends of the Library Liaison (advisory)

### **LENGTH OF TERMS/FREQUENCY OF MEETINGS**

- 3 Year Term
- Meetings held the second Wednesday of the month
- No applicant shall serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council

### **SELECTION PROCESS**

Mayor shall appoint with Council ratification

### **CODE REFERENCES**

UMC Section 2.28.010  
California Library laws, Education Code 1990  
Ordinance No. 99

## **PERSONNEL BOARD OF REVIEW**

### **PURPOSE**

The functions of the board shall be to hear appeals as provided by this part and by rule, except matters pertaining to the meet and confer process.

### **MEMBERSHIP**

3 Members Total  
1 Alternate Member

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- 4 Year Term
- No applicant shall serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council
- On call by the Human Resources Manager

### **SELECTION PROCESS**

- 1 member - Council appointment shall be made by the Mayor, with Council ratification
- 1 member - Employee Associations submits name(s) and Council selects appointment
- 1 member agreed upon by Council and Employee Associations
- 1 alternate member agreed upon by Council and Employee Associations

### **CODE REFERENCE**

UMC Section 2.36.160  
Ordinance 1566  
Ordinance 1494  
Minute Action 5/31/1945

## **PLANNING COMMISSION**

### **PURPOSE**

The powers and duties of the Planning Commission shall be to:

1. Prepare, periodically review, and revise, as necessary the General Plan
2. Annually review the Capital Improvement Program of the City and the local public works projects of other local agencies for their consistency with the General Plan
3. Perform other functions as the City Council provides
4. Perform such other land use-related functions pursuant to State laws pertaining to conservation, planning, and zoning as the council may direct or provide
5. Serve as the Airport Land Use Committee, applying the procedures and findings set forth in the Municipal Code in regards to all processes relating to a request for an implementation/land use compatibility decision, preparation, adoption and amendment to the Comprehensive Airport Land Use Plan of the City of Upland conforming to requirements set forth in Public Utilities Section 21670.1
6. Serve as the Historic Preservation Committee as outlined in the Upland Municipal Code

### **MEMBERSHIP**

7 Members Total

Airport Land Use Committee consists of:

7 Planning Commissioners

2 ALUC members (possess expertise in aviation)

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- 4 year terms
- No applicant may serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council
- Once a month, 4<sup>th</sup> Wednesday
- Commissioners receive \$100 compensation per meeting (not to exceed \$200 per month)

### **SELECTION PROCESS**

- The City Clerk causes a request for volunteers to be posted
- Mayor (or Mayor designee), Mayor Pro Tem (or Mayor designee), Planning Commission Chair (or designee selected by Planning Commission), and Development Services Director (advisory) shall serve as an interview panel and interview each applicant
- Interview panel shall recommend at least one candidate per opening to the Mayor for ratification by the Council
- Airport Land Use Commissioners - Mayor shall appoint with Council ratification

### **CODE REFERENCE**

UMC Chapter 17.43.030  
Resolution 6397  
Resolution 6270  
Resolution 4697  
Ordinance 1202  
Ordinance 415

## **STREET TREE ADVISORY COMMITTEE**

### **PURPOSE**

This Committee shall study and review the proposed Urban Forestry Management Plan and make appropriate recommendation to Council and staff regarding the matters contained therein; to provide an avenue for citizens to appeal special circumstantial tree problems (i.e., tree removals, street tree designations, spraying for fruit insects); and to review tree removal and other policies.

### **MEMBERSHIP**

5 Members Total  
Selected from 5 Citizens at Large

### **LENGTH OF TERM**

- 4 year terms
- No applicant may serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council

### **MEETINGS**

Meets the 2<sup>nd</sup> Thursday of , January, March, May, July, September and November

### **SELECTION PROCESS**

Each member of the City Council shall submit their nomination to the City Clerk for consideration at a Council meeting.

### **CODE REFERENCE**

Resolution 5786  
Resolution 5201  
Resolution 4462

## **TRAFFIC SAFETY ADVISORY COMMITTEE**

### **PURPOSE**

To advise Council and staff of community concerns regarding issues of traffic safety and to recommend solutions to those concerns.

### **MEMBERSHIP**

10 Members Total

5 Citizens at Large (one nominated by each Councilmember)

1 Upland Unified School District

1 Chamber of Commerce Representative

Non Voting Liaison members:

1 Upland Police Department Liaison

1 Engineering Department Liaison

1 Upland School District Representative

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- 4 Year Term (except Police and Engineering Liaisons)
- No applicant shall serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council

Meets quarterly the first Wednesday of February, May, August and November, 8:30 a.m. at the Police Department

### **SELECTION PROCESS**

Citizens at Large - Each member of the City Council shall submit their nomination to the City Clerk for consideration at a Council meeting.

### **CODE REFERENCE**

Resolution 6147

Upland Council Minutes, 11/6/78

Upland Council Minutes, 10/6/64

## **ECONOMIC DEVELOPMENT COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in economic development operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the first Monday of March, June, September, and December

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 6397

Resolution No. 5290

Upland City Council Minutes, 12/01/2001

## **POLICE & FIRE COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in public safety operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the 4th Monday of March, June, September, and December

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 5290

Upland City Council Minutes, 12/01/2001

## **PUBLIC WORKS COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in Public Works operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the 2nd Tuesday of January, April, July, and October

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 5290

Upland City Council Minutes, 12/01/2001



## **FINANCE COMMITTEE**

### **PURPOSE**

The Committee shall be responsible for reviewing matters pertaining to the finances of the City. This may include reviewing warrants and registers, financial statements, investment reports, the City's annual independent audit, City fees and service charges, and operating budgets

### **MEMBERSHIP**

2 City Council Members  
Finance Officer (staff)  
City Treasurer (review of quarterly investment reports)

### **LENGTH OF TERM/FREQUENCY OF MEETINGS**

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor with the exception of the Finance Officer
- Meets quarterly, the 4th Wednesday of January, April, July, and October

### **SELECTION PROCESS**

The City Treasurer is an established elected position and shall review and provide input on the quarterly investment reports. All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010  
Resolution No. 6397  
Resolution No. 6394 (Investment Policy)

# CITY OF SAN BERNARDINO HOMELESSNESS

## SUMMARY

The 2019-20 San Bernardino County Civil Grand Jury (Civil Grand Jury) is concerned about the growing homeless population in the City of San Bernardino (City) and the City's response to the crisis.

The City's primary response in dealing with homelessness is by partnering with nonprofit agencies. The Civil Grand Jury decided to investigate the interaction of the City with these agencies, the ways in which they are monitored, their effectiveness, and how homeless persons are referred to services.

The investigation found the following five areas of concern where improvements of governance could be made:

- Staffing within the Housing Division was found to be stretched given the workload of administering multiple grants with a value of over \$6 million dollars and the associated reporting requirements and monitoring, along with other everyday duties and responsibilities.
- No committee exists in which the City, city partners and stakeholders can interact, exchange ideas and provide feedback on ways that homelessness could be tackled within the City.
- Monitoring and guidance for nonprofit subrecipients of Emergency Services Grant funds must be a formalized and documented process.
- No City plan exists with goals and objectives that lays out a direction as to how homelessness in the City is to be addressed.
- There are serious functional problems with the Coordinated Entry System (known as 211) that the City and nonprofits use to refer homeless persons to services.

This report will show the facts and findings in more detail and make recommendations for improvement.

California Penal Code Section 925 and 925a provide the 2019-2020 San Bernardino County Civil Grand Jury jurisdiction to conduct this investigation.

## **Glossary**

**City of San Bernardino** - The City of San Bernardino is an incorporated city with a council-manager form of government. In 2017, the city had a population of 218,604 and spanned just over 62 square miles. The city serves as the county seat for the County of San Bernardino.

**Continuum of Care (CoC)** - An organization designed to assist individuals and families experiencing homelessness. They provide the services needed to help such individuals into permanent housing with the goal of long-term stability. In San Bernardino County, this organization is led by the Inter-Agency Council on Homelessness and includes a representative from the City of San Bernardino.

**Emergency Solutions Grant (ESG)** - The ESG program is administered by HUD and dispersed by the City to nonprofit organizations in order to: 1) improve the number and quality of emergency shelters; 2) provide essential services to shelter residents; 3) rehouse homeless individuals and families; and 4) prevent families and individuals from becoming homeless. ESG funds may be used for any of five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and the Homeless Management Information System.

**Homeless** - There are several definitions used to describe homelessness. The following is from the U.S. Department of Housing and Urban Development (HUD): People who are living in a place not meant for human habitation, in emergency shelters, in transitional housing, or exiting an institution where they temporarily resided. People will be considered homeless if they are

exiting an institution where they resided for up to 90 days and were in a shelter or place not meant for human habitation.

**HUD** - United States Department of Housing and Urban Development.

**Nonprofit Organization** - An organization traditionally dedicated to furthering a particular social cause or advocating a shared point of view. Nonprofits are tax-exempt or charitable, meaning they do not pay income tax on the money they receive for their organization. The key aspects of nonprofits are accountability, trustworthiness, honesty, and openness to every person who has invested time, money and faith into their organization. Nonprofit organizations are accountable to the donors, founders, volunteers, program recipients and the public community.

**ESG Performance Period** - Timeframe of the contract in the Subrecipient Agreement which is currently July 1 thru June 30 of each year.

**Point-In-Time Count** - An annual count of people experiencing homelessness who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night in January; required by HUD for all Continuums of Care nationwide.

**Scope of Work (SOW)** - A condition of the ESG Agreement between the City and the nonprofit formally documenting the work activities and deliverables to be completed by the nonprofit agency.

**Subrecipient** - A nonprofit agency that receives a federal grant dispersed by the City.

## **BACKGROUND**

On February 19, 2020, California Governor Gavin Newsom devoted his State of the State remarks to the crisis of homelessness. He called it a disgrace and stressed that as a wealthy state within an affluent country, California is failing to compassionately and adequately care for the homeless.

HUD estimates there are over half a million people who are living unsheltered in the United States of America, of which 151,278 are living in California and 3,125 in San Bernardino County.

According to the League of California Cities Homelessness Task Force Report, local governments must continue to be creative and must keep moving forward to successfully reduce homelessness. To succeed in addressing an issue like homelessness, local governments must collaborate and forge partnerships.

San Bernardino County and the City of San Bernardino have a growing homeless population. Each year, within the last 10 days of January, every CoC Program in the nation conducts a Point-In-Time Count (PITC) of sheltered and unsheltered persons experiencing homelessness.

For the County of San Bernardino, this year's PITC was performed on January 23, 2020 from 6:00 a.m. to 10:00 a.m. The count is conducted by volunteers who count and record every homeless person they find in a designated location.

In the year 2017, San Bernardino County recorded a total of 1,866 homeless persons. Of that number, 491 were living in the City of San Bernardino. These numbers have continued to increase every year. The most recent Point-In-Time Count found 3,125 homeless people countywide with 1,056 of them dwelling in the City of San Bernardino. That is a 59% increase in the county's homeless and a 46% increase in the City's homeless over a four-year period.

Noting that one third of the County's homeless were residing in the City of San Bernardino, the Civil Grand Jury conducted an investigation into the city's homelessness crisis, the results of which are to support and improve the City of San Bernardino's ongoing efforts and recommend new courses of action. As the investigation progressed, the Civil Grand Jury learned that the City does not use any general fund dollars for homeless housing, but they do receive grant funding from HUD to support homeless services. One of these grants is the Emergency Solutions Grant (ESG) which the City of San Bernardino uses to fund homeless services by

nonprofit organizations. The investigation then focused on how these ESG dollars are used and the effectiveness of the City's oversight.

Evidence revealed that the City of San Bernardino has very few resources to support the needs of their homeless community. While some may believe the issue can be addressed by simply building more affordable housing, these projects take years to fund and develop. Until then, local governments must find ways to work with nonprofit organizations who provide direct services to the homeless, such as shelters, meals, case management, and social and mental health services.

It shall be noted that the City of San Bernardino's bleak financial situation continues to be a problem for City staff, programs and services. In August of 2012, the City of San Bernardino filed Chapter 9 bankruptcy. As a result, the number of full-time City employees decreased from approximately 1,140 to approximately 600. The City budget adopted July 15, 2019 projected a deficit of \$11.2 million.

## **METHODOLOGY**

To effectively conduct this investigation, the Civil Grand Jury determined it was important to understand both how financial aid provided to nonprofit organizations is used to eliminate homelessness, and the relationship nonprofit organizations have with the City of San Bernardino which is relied upon for access to grant funding.

The Civil Grand Jury conducted the following research by examining:

- Federal, State, County and City documentation specific to homelessness and affordable housing
- City of San Bernardino HUD reports
- City of San Bernardino Policies and Procedures
- Financial reports and budgets
- Nonprofit organizations and the services they provide

- City of San Bernardino 2020 Housing Summit
- City of San Bernardino ESG Technical Workshop
- San Bernardino CoC Coordinated Entry Evaluation
- Point-In-Time Counts
- The information collected during interviews with personnel from local government and the private sector

## **FACTS**

### **Housing Division Staffing Levels**

The Community and Economic Development Department works to improve the quality of life for all residents throughout the City of San Bernardino. The Department is comprised of seven internally related divisions including Planning, Building and Safety, Housing, Economic Development, Code Enforcement, Administration, and the Successor Agency.

Staffing within the Housing Division is made up of the Housing Division Manager, Community Development Block Grant Program Coordinator, an Analyst I and an Administrative Assistant.

The Housing Division implements many programs intended to help citizens maintain housing and prevent homelessness. Major responsibilities include managing capital improvement projects throughout the City, housing programs for housing rehabilitation, Fair Housing services, landlord/tenant mediation services, housing counseling, alternative dispute resolution, and involvement in affordable housing building projects.

The Housing Division is also responsible for the management and implementation of the Emergency Solutions Grant and other grant programs that assist persons at risk of homelessness and those experiencing homelessness. The ESG grant alone requires a substantial amount of work in first applying and then reporting and monitoring the use of the funds. The program is incredibly management intensive.

The Housing Division does not currently have the staff to seek additional grant funding.

Evidence showed that one person performs the work of two full-time positions, making it difficult for subrecipients to get a response from the City about details regarding grant funding.

### **City of San Bernardino Homelessness Committee**

The evidence showed that it would be beneficial to get service providers together in the same room to have regular, open discussions about homeless issues, to navigate through challenges and successes, and to develop solutions. Providers follow best practices that are measurable and quantifiable. They have a desire to share their goals of reducing the number of homeless. The City held the City of San Bernardino 2020 Housing Summit on February 6, 2020. However, the service providers who attended expressed concern that no open discussions with the attendees were included.

Nonprofits have a passion for their work and they meet face-to-face with the homeless population every day. They are in a position to know the needs of the homeless. It would be beneficial for the City to collaborate with the nonprofits to create a shared vision and help end the homelessness crisis in the City.

### **Monitoring of ESG Subrecipients**

Evidence established that the City of San Bernardino received \$286,534 dollars in new money from the HUD Emergency Solutions Grant in 2019-2020. The City then dispersed these funds to five nonprofits (subrecipients). The City enters into a contract with each of these entities and requires them to set forth a Scope of Work with specific requirements. In order to receive federal dollars, these subrecipients must also agree to maintain and make available an extensive list of records and documentation.

The City's Policies and Procedures Manual requires the City to monitor the SOW set forth in the Agreement. The HUD Integrity Bulletin issued in 2016 emphasized the importance of



monitoring subrecipient performance to measure results and safeguard grant funds. Since the Subrecipient Agreement requires that this SOW be provided, and that each subrecipient affirm that this work will be done in a competent, professional and satisfactory manner, the City should conduct a formal review of this information to ensure the targets in the SOW are met. The evidence established that no formal evaluation of the successful completion of the SOW was being conducted by the City.

Although it is the City's intention to monitor each site on an annual basis, site inspections for 2019/2020 have not been completed, citing limited staffing. Considering the ESG performance period is for a single year, and there is no guarantee that any subrecipient will be approved for more than one year, the City must monitor each subrecipient on an annual basis. The current wording in the Policies and Procedures Manual states that this site monitor will occur every three years.

### **Homelessness Plan**

The City has developed numerous action plans, annual and five-year plans, performance plans, and policies and procedures. Most of these documents are a requirement of HUD in order to be eligible for federal and/or state funding and other resources that may become available. These plans detail the need for funding and the goals and objectives of how such funding will be used and by whom.

The City does not have a comprehensive Homelessness Plan which is a recommendation of the League of California Cities. Having a plan is important and provides direction for elected officials and staff as they make decisions about where to dedicate resources and offers a way to measure progress and success.

The Plan should focus on developing strategies to measure outcomes and ensure that funding is applied to the areas of greatest need as well as short-term and long-term goals specific to the homeless community. Additionally, it is important that the homelessness plan be developed in coordination with homeless service providers who perform the "boots on the ground" type work

and understand the needs and challenges of the homeless population they serve, such as families, elderly, veterans and others.

### **Coordinated Entry System/211**

According to the ESG Subrecipient Agreement with the City, the ESG Subrecipients must use United Way/211 for screening assessments and homeless referral services.

United Way views its 211 system as a powerful tool, and espouses that homeless persons are matched quickly and efficiently with available local resources. However, evidence showed that the 211 System is not functioning as it should in delivering services above the need for shelter. Evidence established that service providers struggled with the use of 211, and found it to be an impediment to providing services to the homeless. There were a number of problems revealed in the evidence.

For instance, the ESG Subrecipient Agreement requires that the CES/211 conduct an in-person assessment to verify a person's homelessness. Evidence established people were in a shelter for 30 days before a CES/211 contact was made to complete the necessary in-person assessment process. Another example was the case of a family with three children, all living in a car. The family was told to contact CES/211 for a referral, where they were placed on hold for three hours. In another instance, a provider contacted CES/211 to make seven beds available for homeless women. The provider was told that an outreach person would come to do a face-to-face intake, which never occurred. Other problems with the CES/211 are that they make referrals to agencies who do not provide the specific services needed by the client. Lastly, evidence showed that the time required for referrals was excessive. As a result, homeless clients are not well-served by CES/211.

HUD requires that each Continuum of Care conduct an annual review of its Coordinated Entry System. The most recent evaluation of the CES/211 program was conducted by the Technical Assistance Collaborative and published in February of 2020. The document confirms that many consumers reported telephone wait times of two hours and hung up before receiving help. The

February 2020 evaluation corroborates numerous problems and makes seven recommendations for improvement.

The Civil Grand Jury concluded that the 211 coordinated entry system is in need of improvement in order to provide efficient customer service to the homeless population.

## **FINDINGS**

F-1: The staffing levels at the City of San Bernardino Housing Division are currently inadequate to fully meet all of its duties and responsibilities that correlate with a growing homeless population.

F-2: The City does not currently have a committee or any platform enabling the City's homeless service providers to interact with one another.

F-3: The City has not conducted the required site monitoring visit for each of the five 2019-2020 ESG Subrecipients as outlined in the City's Technical Workshop for ESG Subrecipients.

F-4: The City's Economic and Housing Development Emergency Solutions Grant Policies and Procedures Manual does not reflect the actual practice of an annual review by the City with respect to site monitoring.

F-5: The City does not formally evaluate the accomplishments of the Subrecipient's Scope of Work.

F-6: The ESG Policies and Procedures Manual states that the Subrecipient program will be monitored once every three years.

F-7: The City does not currently have a comprehensive Homelessness Plan.

F-8: United Way/211 serves as the Coordinated Entry System for the City of San Bernardino.

## RECOMMENDATIONS

20-17: The Housing Division should submit a request for additional staffing to monitor and evaluate subrecipients, to facilitate the application and reporting requirements for additional homeless-related grants, and to be more pro-active with nonprofits. This recommendation to be implemented no later than the start of Fiscal Year 2021-2022.

20-18: Establish a City Homelessness Committee consisting of ESG Subrecipients, faith-based organizations and interested residents to support City staff by coordinating services, sharing best practices, pooling resources and identifying other needed services. The Committee shall meet quarterly at a minimum; attendance and minutes shall be taken and filed with the Housing Division and made accessible to the public. This recommendation to be implemented no later than the start of Fiscal Year 2021-2022.

20-19: The City should conduct an annual fiscal monitoring site visit for each ESG Sub-recipient. The date, time, and participants shall be recorded on a form to be developed by the City. Additionally, the City shall document their observations, recommendations and commendations. One copy shall be given to the subrecipient and one kept on file in the Housing Division's files and made accessible to the public. This recommendation to begin with Fiscal Year 2021-2022 ESG performance period.

20-20: The City Housing Division should conduct an annual evaluation of each subrecipient Scope of Work beginning with the Fiscal Year 2021-2022 ESG performance period. The City shall develop a written instrument to be used for this purpose. This document will compare the numbers promised by the subrecipient with the actual numbers delivered during the performance period. One copy shall be given to the subrecipient and one kept on file in the Housing Division and made accessible to the public. This recommendation to begin with Fiscal Year 2021-2022 ESG performance period.

20-21: The City Housing Division should amend the ESG Policies and Procedures Manual to reflect that an annual fiscal monitoring site visit will occur beginning with the Fiscal Year 2021-

2022 ESG performance period. The manual must be revised to reflect the City's current intent. This recommendation to be implemented immediately.

20-22: In coordination with the City Homelessness Committee, develop a comprehensive City of San Bernardino Homelessness Plan that includes a coordinated vision, services provided, identification of needed services, a resource list of available facilities/equipment, and a revision timeline to ensure the plan is maintained and current. As suggested by various social service organizations, a comprehensive Homelessness Plan should serve to:

- Prevent periods of homelessness
- Help eligible individuals and families receive the services they need
- Empower service providers to improve their response to individuals and families experiencing homelessness
- Develop an approach to track progress to preventing, reducing and ending homelessness in the City.

This recommendation to begin at the start of Fiscal Year 2021-2022.

20-23: As a member of the Continuum of Care, the City Housing Division should spearhead an effort to improve the services of United Way/211 in accordance with the recommendations referenced in the San Bernardino Continuum of Care Coordinated Entry Evaluation completed by the Technical Assistance Collaboration in February 2020. The City Housing Division will meet with each subrecipient and record a list of problems they are having with the CES/211 System. The City Housing Division will document the steps taken to address these problems and share these with the subrecipients. This recommendation to begin immediately.

<b><u>AGENCY</u></b>	<b><u>RECOMMENDATIONS</u></b>	<b><u>DUE DATE</u></b>
City of San Bernardino Housing Division	20-17 through 20-23	2/16/2021

# COUNTY ECONOMIC DEVELOPMENT DEPARTMENT

## SUMMARY

San Bernardino County's Economic Development Department is charged with attracting, retaining and expanding businesses within the region.<sup>1</sup> The San Bernardino County 2019-2020 Civil Grand Jury investigated many of the resources, tools and incentives available to the Economic Development Department for use in achieving its departmental objectives. This investigation found no comprehensive Strategic Plan in place to guide San Bernardino County's Economic Development efforts and decisions. Additionally, one of the primary incentives in attracting new business to the County—the Economic Development Ordinance—has no objective and/or measurable protocol steps in place to protect against cronyism and fraud in County land sales. The statutory obligation of the San Bernardino County 2019-2020 Civil Grand Jury in this report is to make recommendations to improve the efficient and effective functioning of the Economic Development Department. California Penal Code Section 925 provides the San Bernardino County 2019-2020 Civil Grand Jury jurisdiction to conduct this investigation.

Note: Any recent challenges created by the COVID-19 crisis—and any actions taken in response by the San Bernardino County Economic Development Department in retaining, re-starting and re-growing County businesses quickly, safely and successfully—are not within the scope of this investigation.

## **Glossary**

**Economic Impact Survey** – A questionnaire, with space provided for open-ended responses, to be prepared by the Economic Development Department (Recommendation 20-1). Sent annually to both current and potential County businesses to gather and document their current needs regarding Attraction, Retention and Expansion activities, collected Economic Impact Survey

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<sup>1</sup> [cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf](https://cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf), p. 252

information will enable the Economic Development Department to keep its comprehensive, Departmental Strategic Plan synchronized with the latest local economic conditions (Recommendation 20-2).

**RDA** – Redevelopment Agencies (RDAs). Since 1952, these State agencies served as an important component of the affordable housing development landscape in California. Cities and counties were given the authority to declare areas as blighted and in need of urban renewal, at which time a city or county was allowed to distribute most of the growth in property tax revenue for the project area to the relevant RDAs as tax-increment revenues. Some RDAs were able to attract businesses to previously-depressed areas and undertake the cleanup of contaminated areas. Effective February 2012, the State of California ceased operating local Redevelopment Agencies.<sup>2</sup>

**RFP** – Request for Proposal. RFPs outline the bidding process and contract terms, and provide guidance on how bids should be formatted and presented. They are generally reserved for complex projects. RFPs may outline instructions on what information the bidder must include and the desired format.<sup>3</sup>

**Strategy** – An idea or end-state, determined to be both of value and worth pursuing by an organization.

**Strategic Plan** – The disciplined, documented method by which an organization turns an idea or strategy into reality. The Strategic Plan document serves as an organization’s collective roadmap to assess exactly where it is, where it is going, and how best to respond to opportunities and challenges. It is an ever-evolving document, reacting in real time to changing times and circumstances. All members of the organization participate in the Plan’s creation, and are thus vested in its ultimate success, generating powerful synergies through the careful alignment of individuals, collective goals and group resources. A Strategic Plan typically spans at least five years—the minimum time needed to achieve many long-term organizational goals—and often

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<sup>2</sup> [www.huduser.gov/portal/publications/Redevelopment\\_WhitePaper.pdf](http://www.huduser.gov/portal/publications/Redevelopment_WhitePaper.pdf)

<sup>3</sup> [www.investopedia.com/terms/r/request-for-proposal.asp](http://www.investopedia.com/terms/r/request-for-proposal.asp)

double that. While each organization is unique, the essential elements of any Strategic Plan include an organization's Mission Statement, Vision Statement, Values Statement, Analysis of Strengths and Weaknesses, Short-Term and Long-Term Goals, Action Plans and Strategies, Metrics to measure progress, and Schedules for Future Review and Updating of the Plan itself<sup>4</sup>.

## BACKGROUND

The San Bernardino County 2019-2020 Civil Grand Jury examined San Bernardino County's ongoing efforts to bring new businesses and economic growth to the region through its Economic Development Department. The Economic Development Department has the chartered responsibility 'to create, maintain and grow the economic value of the County'.<sup>5</sup> It does this by fostering sustainable county-wide economic growth opportunities for job creation and revenue enhancement through comprehensive business expansion, business attraction, and business retention programs and services.<sup>6</sup> These efforts include assisting interested companies with site selection, job creation, incentive identification, permitting compliance, and business expansion assistance.<sup>7</sup>

One key internal measure of the Economic Development Department's degree of success or failure in meeting its own objectives is the net number of jobs gained/retained versus jobs lost within a given year in San Bernardino County. In 2019 for example, the County experienced an estimated net gain of 12,500 jobs (+1.3%) over the preceding year,<sup>8</sup> a similar net job growth rate to those experienced by both the State of California (+1.0%)<sup>9</sup> and the entire United States (+1.3%)<sup>10</sup> during the same one-year period. In the 2019-2020 San Bernardino County Adopted Budget, the Economic Development Department reported that during fiscal year 2018-2019, 1,809 of those 12,500 new jobs in the County (15%) were directly attributable to the Department's own attraction, retention and expansion efforts. The Economic Development

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<sup>4</sup> [indeed.com/hire/c/info/what-is-strategic-planning-a-definition](https://indeed.com/hire/c/info/what-is-strategic-planning-a-definition); [sba.thehartford.com/business-management/what-is-strategic-planning/](https://sba.thehartford.com/business-management/what-is-strategic-planning/); [medium.com/@KeithKrach/5-key-components-of-a-powerful-strategic-plan-4fbb6f15eae3](https://medium.com/@KeithKrach/5-key-components-of-a-powerful-strategic-plan-4fbb6f15eae3)

<sup>5</sup> [cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf](https://cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf), p. 252

<sup>6</sup> [cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf](https://cms.sbcounty.gov/Portals/59/Content/2019-2020/2019-20-Adopted-Budget.pdf), p. 253

<sup>7</sup> SBC Economic Development Department FY2019-2020 Major Initiatives Annual Report

<sup>8</sup> [www.labormarketinfo.edd.ca.gov/cgi/databrowse](https://www.labormarketinfo.edd.ca.gov/cgi/databrowse) - San Bernardino County

<sup>9</sup> [labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf](https://labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf) – p. 14

<sup>10</sup> [bls.gov/news.release/archives/empsit\\_01102020.pdf](https://bls.gov/news.release/archives/empsit_01102020.pdf) – p. 7



Department's stated goal for fiscal year 2019-2020 was to add another 1,800 jobs through departmental actions.

The Economic Development Department exercises jurisdiction over San Bernardino County's unincorporated areas only. Although it works in tandem with the region's cities, the Economic Development Department is not in direct control of economic development activities within incorporated cities.

During this investigation, the San Bernardino County 2019-2020 Civil Grand Jury inquired as to which available tools, incentives and resources are best-aiding the Economic Development Department in meeting its stated objectives. The San Bernardino County 2019-2020 Civil Grand Jury identified four areas for recommended actions to enhance the Department's effectiveness.

## **METHODOLOGY**

In the course of this investigation, San Bernardino County 2019-2020 Civil Grand Jury members interviewed current and former members of the Economic Development Department and multiple city economic development agencies. The Civil Grand Jury researched the structure, operations, activities and expenditures of the San Bernardino County Economic Development Department. They reviewed available Economic Development Department strategies, marketing and financial documents; obtained and researched existing Economic Development Department policies, procedures and manuals; and reviewed on-line Economic Development Department resources from multiple cities and counties.

The San Bernardino County 2019-2020 Civil Grand Jury greatly appreciates the cooperation shown by and participation of the San Bernardino County Economic Development Department with this investigation. Witnesses made themselves available for interviews, and all available requested documents were provided in a timely manner.<sup>11</sup>

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<sup>11</sup> The 2019-2020 Civil Grand Jury also acknowledges that, during the course of this investigation, a reorganization took place within the Economic Development Department, compounding the challenge of their ongoing participation.

## **FACTS**

### **Strategic Planning**

Evidence revealed that the Economic Development Department does not have a comprehensive, Departmental Strategic Plan in place to guide all future County economic development efforts and decisions. In 2016, an outside consulting firm was hired for \$300K to launch the Economic Development Department's effort in creating a comprehensive, Departmental Strategic Plan. In November 2017, as the foundation to begin constructing that comprehensive Strategic Plan, consultants presented the Economic Development Department with 36 targeted, practical and actionable Recommendations. Evidence indicates that 11 of the 36 consultant-provided Recommendations have been acted upon to date. A review of evidence shows that no further work on building or implementing a comprehensive, Departmental Strategic Plan has taken place.

### **Economic Development Ordinance**

The Economic Development Ordinance process was created in 2017, in part, as a local incentive to attract new business to the County. The Ordinance<sup>12</sup> allows those companies offering significant economic benefits to the County to bypass the County's competitive bidding/public auction process in favor of a direct negotiation for County land purchases. The evidence revealed that the decisions being made to implement the Ordinance are not based upon policy nor documented protocol. Exactly what qualifying benefit thresholds a company needs to meet in order to qualify for the Ordinance have never been formally defined nor documented. Since its inception three years ago, multiple businesses have been approved to begin the Economic Development Ordinance process; all but one dropped out of negotiations with the County prior to completion of the land sale. Evidence established that when this Ordinance came into being, it contained no objective, uniform nor measurable protocol steps to be followed, lending itself to subjective or biased decisions in potentially fraudulent County property deals.

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<sup>12</sup> (<https://sanbernardino.legistar.com/LegislationDetail.aspx?ID=4517407&GUID=E1B99FB2-CC5A-4A4B-AEBE-A1402A0E6CEC&Options=&Search=>)

## **Local Incentives**

Evidence revealed that most available incentives used to attract, retain and expand San Bernardino County businesses come from State funding sources.<sup>13</sup> Few locally-funded incentives are currently available. Since the Redevelopment Agencies (RDAs) were eliminated by the State of California, the Economic Development Department has little budget available to fund local business incentives. Evidence revealed that many of the aggressive economic development actions and strategies being undertaken in the private sector (e.g., initiating sales missions, mitigation of competition, creating pre-planned sales pitches, and proactively approaching developers) are not being utilized by the Economic Development Department.

## **Staffing Shortfalls**

The Economic Development Department receives an annual staffing budget of \$1.3M for 12 budgeted staff positions. Evidence established a high workload within the Economic Development Department per number of staff. As of fall 2020, 33% of the Economic Development Department's allocated staff positions were vacant. Low unemployment levels, a lack of qualified candidates and a budget-based County hiring freeze were cited as primary reasons for being unable to fill vacant Economic Development Department positions.

## **FINDINGS**

F1: No comprehensive, Departmental Strategic Plan has been developed or implemented. Department Staff regularly reference the 2017 consultant-provided work product as guidance for County Economic Development efforts and decisions.

F2: There are no documented policies nor step-by-step written procedures in place for consistent, equitable implementation of the Economic Development Ordinance incentive.

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<sup>13</sup> A complete listing of all current California State-funded incentives can be found at [www.sanbern-prod.s3.amazonaws.com/uploads/Business-Program-Incentives-2019-Web.pdf](http://www.sanbern-prod.s3.amazonaws.com/uploads/Business-Program-Incentives-2019-Web.pdf)

F3: The Economic Development Department relies almost exclusively upon the State of California as its source of revenue for incentives to attract, retain and expand businesses.

F4: The Economic Development Department is currently operating at only 66% of its funded staff positions.

## **RECOMMENDATIONS**

Based upon the Findings, the San Bernardino County 2019-2020 Civil Grand Jury recommends that:

20-24: By June 1, 2021, the Economic Development Department should create and complete the first of a regular, annual cycle of ‘Economic Impact Surveys’ to be sent to local and potential businesses, in order to determine and document their current program or incentive needs regarding the retention, attraction or expansion of businesses throughout the county.

20-25: By June 1, 2021, in order to maximize both the number of survey responses (Recommendation 20-24) and the quality of response data obtained, the Economic Development Department should follow-up each ‘Economic Impact Survey’ sent with an interview in order to collect the business’s Survey responses. The Economic Development Department should utilize these on-going interactions to continually maintain their internal database, and to update their comprehensive, Departmental Strategic Plan (Recommendation 20-26).

20-26: By January 1, 2022, the Economic Development Department should build upon the foundation left by the consultants in 2017 and construct and populate a comprehensive, overall 5- or 10-year Departmental Strategic Plan. This comprehensive Strategic Plan would include centralized tracking of all actions planned or taken, dates, timelines for meeting specific goals, and personnel assignments for each recommendation being addressed. Once in place, the comprehensive Departmental Strategic Plan will serve as the singular ‘measuring stick’ against which to objectively determine this organization’s levels of success, productivity, efficiency and achievement of goals. The Department should incorporate all direct business feedback obtained

from ‘Economic Impact Survey’ follow-up interviews (Recommendation 20-25) to continually update the comprehensive Strategic Plan to match current County business conditions. The Department’s comprehensive Strategic Plan should include these elements:

- Mission Statement and Vision Statement to frame the context of the document.
- A Core Values Statement (the “musts” and “must nots” of the organization—those vital principles that will guide both leaders and employees in both their day-to-day and long-range decision-making).
- Strengths, Weaknesses, Opportunities and Threats (SWOT) Analyses.
- Short-Term and Long-Term Goals - Goals should be Specific, Measurable, Achievable, Realistic and Time-based (SMART). Each goal should include an in-depth description of why it’s important, as well as the detailed steps needed to achieve those goals and the people assigned to carry them out. The comprehensive Departmental Strategic Plan should document the resources needed to meet those goals, the timelines needed to achieve them, relative priority rankings, and details on how the progress of each goal or objective will be measured.
- Action Plans – Provide an overview of the specific actions employees will take to achieve the stated Short-Term and Long-Term Goals.
- Identification of the specific individuals and/or offices responsible for each strategy. For those responsible individuals identified for a given strategy, tie Performance Reviews directly to measured progress and accomplishment of assigned Strategic Plan milestone targets.
- Documentation regarding how often the Plan will be checked and updated (monthly, quarterly, annually, etc.), as well as the list of people responsible for reviewing and updating the comprehensive, Departmental Strategic Plan and communicating any Plan changes with the entire group.

20-27: Effective immediately, the Economic Development Department should suspend all use of the Economic Development Ordinance incentive until formal, step-by-step operating procedures

are published for the standardized application and implementation of the Ordinance incentive, to include:

- Established, documented and publicized minimum ‘Significant Economic Benefit’ definitions and thresholds (number of jobs, total value of company assets, etc.) which companies must meet in order to receive consideration as candidates.
- Documented, standardized decision criteria for all process steps.
- Documented, standardized Due Diligence process/data requirements and formats.
- A Standard Checklist of data which Economic Development Ordinance candidates must produce and submit for consideration.
- Publicize the Economic Development Ordinance local incentive on the Economic Development Department’s website, providing businesses with both awareness of and equal access to this available opportunity (Recommendation 20-7).

20-28: The Economic Development Department should identify new sources of outside revenue to replace those funds formerly provided through Redevelopment Agencies. By June 1, 2021, find and pursue additional Federal-level and State-level economic relief projects, grants and applications to bring available economic development opportunity dollars into the region to fund incentives.

20-29: By January 1, 2022, the Economic Development Department should develop and implement multiple new, locally-funded incentives to attract, retain and expand local business in San Bernardino County. For example, adopting a more proactive approach to selling unincorporated county land—yielding more land sales—could become a viable source of additional revenue for local incentives.

20-30: By April 1, 2022, publicize all existing and newly-developed local business incentives on the Economic Development Department’s website, providing businesses with both awareness of and equal access to available opportunities.

20-31: By June 1, 2021, fill all budgeted Economic Development Department staff vacancies in order to support current department workloads, as well as timely and successful implementation of the 36 consultant-provided Recommendations established as part of the comprehensive, Departmental Strategic Plan (Recommendation 20-26). Consider utilizing the same successful tactics currently being employed by the County's Workforce Development Department to fill staffing vacancies for local businesses. Hire Headhunter agencies or professional search agencies for assistance as needed.

<b><u>AGENCY</u></b>	<b><u>RECOMMENDATIONS</u></b>	<b><u>DUE DATE</u></b>
Economic Development Department	20-24 through 20-31	3/18/2021

## CALIFORNIA INSTITUTION FOR MEN

Per California Penal Code § 919(b), the Civil Grand Jury shall inquire into the condition and management of the public prisons and jails within the county.

### Inspection Form and Observations

FACILITY NAME: California Institution for Men (CIM).

INSPECTION DATE: January 13, 2020.

FACILITY CAPACITY: 4,728 inmates. Current population is approximately 4,000.

TYPE OF FACILITY: State Prison, housing male inmates.

ADDRESS: 14901 Central Avenue, Chino, CA 91710.

STAFF: 896 Correctional Officers, 813 management (non-custody) staff.

### Glossary

ASU - Administrative Segregation Unit.

CDCR - California Department of Corrections and Rehabilitation.

CIM - California Institution for Men.

SNY - Sensitive Needs Yard.

### History

California Institute for Men opened in 1941 on 2,500 acres of land, and is the third-oldest state prison in California. The average age of inmates is 62. CIM is a large complex, consisting of four separate facilities under the administration of one Warden.

**Facility A** has an inmate population of approximately 1,113 Level II Sensitive Needs Yard (SNY) inmates. The California Code of Regulations defines a Level II as consisting primarily of open dormitories with a secure perimeter, which may include armed coverage. The Facility consists of eight dormitory housing units, each with a capacity of approximately 140 inmates.

**Facility B** has an inmate population of approximately 977 medium/maximum custody level inmates, and also serves as a Reception Center in receiving and processing inmates newly-



committed to California Department of Corrections and Rehabilitation (CDCR), primarily from Riverside and San Diego Counties. The Reception Center provides diagnostic tests, medical/mental health screening, and gang-affiliation and literacy classifications in order to determine an inmate's appropriate institutional placement. Facility B includes Palm Hall, a designated Administrative Segregation Unit (ASU) which receives inmates from CIM, California Rehabilitation Center, local CDCR Conservation Fire Camps, or Security Housing Unit teams who are enroute to court or other CDCR Institutions.

**Facility C** has an inmate population of approximately 760 Level II SNY inmates, many of whom are serving life sentences. The Facility consists of four housing units, each with a capacity of 200 inmates. Facility C is located approximately two miles east of CIM's main complex.

**Facility D** has an inmate population of approximately 2,000 general population inmates, and is designated as a Secure Level I. The California Code of Regulations defines a Level I as consisting primarily of open dormitories with a low security level. Facility D consists of twelve housing units, each with a capacity of approximately 200 inmates. Inmates with 0-18 points (least likely to misbehave) are housed in Level I facilities. Inmates with minimum custody designation are allowed to be housed and work outside the secure perimeter; inmates with medium custody are housed and work inside the secure perimeter, but can live in a dormitory environment.

### **Site Tour**

Facility A contains a large yard with a basketball court, backstops for playing handball, and a full-size running track. Inmates were observed walking the track, playing games, sitting on bleachers talking, or listening to one of the nine inmate bands which have formed at CIM. Several inmates sat in wheel chairs. The yard was quiet and well-supervised. Inmates appeared clean and well-groomed. It was noted that the outside structures of some Facility A buildings were deteriorating, showing rust and peeling paint. One room in Facility A serves as multi-denominational chapel, with religious services of various types occurring daily. Facility A also houses a well-stocked library, with hundreds of new books donated by publishers for inmate use. An acting class was being conducted in another room by a volunteer, with 12 to 15 inmates

participating in this activity. Facility A contains a new, out-patient medical clinic, where inmates are provided with medical services on a 24/7 basis. Normal dental treatment is also available Monday through Friday. The clinic appears well-equipped.

In Facility D, inmates were observed training for the painting and repair of hand railings. Additional inmate training programs are offered in masonry, electrical, plumbing and mechanics. Facility D is the future site of a 50-bed hospital, focusing on the short-term mental health needs of CIM inmates. Contained in Facility D is the **“Pawz Behind Wallz”** service dog training program. Created in 2015, this inmate rehabilitation program trains and provides service dogs for the disabled. All dogs are rescue animals. To be eligible to participate, inmates must have no disciplinary problems, and are trained by certified service dog trainers. Inmate trainers live with their dogs in a single cell 24/7. The twelve-week training period emphasizes dog obedience training and socialization. Upon completion of the program, service animals recognize up to 60 commands, and are able to open refrigerator doors, turn lights on and off, and retrieve cell phones for their new owners.

### **San Bernardino County CDCR Conservation Fire Camps**

The California Department of Corrections and Rehabilitations (CDCR) has safely assigned thousands of inmates to Conservation Fire Camps since 1946. The local San Bernardino County CDCR Conservation Fire Camps are: Prado #28, Oak Glen #35 and Pilot Rock #15.

## **CALIFORNIA INSTITUTION FOR WOMEN**

Per California Penal Code § 919(b), the Civil Grand Jury shall inquire into the condition and management of the public prisons and jails within the county.

### **Inspection Form and Observations**

FACILITY NAME: California Institution for Women (CIW).

INSPECTION DATE: January 29, 2020.

FACILITY CAPACITY: 1,400+ inmates. The current population is approximately 1,200 inmates.

TYPE OF FACILITY: State Prison, housing female inmates.

ADDRESS: 16756 Chino-Corona Road, Corona, CA 92880.

STAFF: 350 Correctional Officers, approximately 65 management level staff, 400 hourly employees and 100 mental health, medical and dental staff.

### **Glossary**

AA - Associate of Arts.

BA – Bachelor of Arts.

BAE - Basic Adult Education.

CIW - California Institution for Women.

EOMP - Enhanced Outpatient Medical Program.

GED - General Education Development.

MA – Master’s Degree.

SARB - School Attendance Review Board.

VE - Vocational Education.

### **History**

Although it has a Corona, California, mailing address, the California Institution for Women (CIW) actually sits on 120 acres of land in Chino, California, where it first opened in 1952.

Although CIW is older than the nearby California Institute for Men (CIM), it is kept in much better physical repair.

The primary mission of the facility is for incarceration, along with providing a safe and secure environment for female offenders. CIW accommodates all custody levels for female inmates. In addition to its large general population, its facilities include Level I housing (“open dormitories”), Level II housing (“open dormitories” with secure interior fences and armed coverage), and Level III housing (“individual cells” with fenced perimeters and armed coverage). There is a Reception Center with short-term housing for processing and evaluation of incoming inmates.

CIW inmates are provided medical, mental, emotional, vocational and educational programs, with an emphasis on the needs of female inmates. A council comprised of inmates conducts orientation activities, and meets regularly to provide the inmate population an avenue by which to make requests for new programs, to discuss concerns and bring forward an awareness of special needs such as self-help groups and pregnancy issues. The Warden walks the grounds regularly to give inmates an opportunity to ask questions. The Warden encourages inmates to follow up by submitting a prescribed form in order to receive further explanation.

### **Site Tour**

A large repaving project is underway to repair all of the facility’s parking lots. The Civil Grand Jury learned that it took CIW management six years to get approval and funding for this project!

The Warden and twelve of the Institution’s managers and Correctional Officers met with the Civil Grand Jury. The Civil Grand Jury discovered that fire inspections are held monthly, medical/mental health screenings are conducted annually, and that the facility has received the top rating available for chronic care. Half of CIW’s inmates currently receive counseling or other mental health treatment. CIW’s Enhanced Outpatient Medical Program (EOMP) contains 90 beds, 60 of which are currently filled. The EOMP also provides protection for persons who could be victimized by other inmates. Group Self-Help programs are offered to inmates in the evenings. Emergency medical patients who cannot be treated on site are ambulated to local hospitals under custody supervision. CIW is re-licensed and accredited every three years, and offers the following educational programs for inmates: Basic Adult Education (BAE), General Education Development (GED), Vocational Education (VE) (electronics, maintenance,

technology, and cosmetology among others), Associate of Arts Program (AA), Bachelor's Degree Program (BA) , and an on-line Master's Degree Program (MA).

The Social Worker Building allows inmates to meet with their families, social workers or attorneys. One section of the building where inmates may meet with their children for court-ordered visits contains games and toys for the children's use. A separate visiting area is used by those inmates who must remain in confinement during visits. Vending machines were available for use. Inmates do not carry money, but visitors can supply those funds for snacks and refreshments. Inmates must remain behind a line to use the vending machines. The entire facility is monitored by cameras.

Inmates who give birth while in custody at CIW are allowed to have their babies remain with them. Other inmates may live with their young children at a nearby facility in Pomona, California, called Proto Types. They must wear monitoring ankle bracelets while there.

CIW Correctional Officers monitor two large, open, grassy areas, surrounded by both permanent and temporary buildings. The exterior walls of the buildings are well-maintained. Inmates are free to walk the grounds during the day when they are not involved in other programs, but are monitored by correctional officers.

A large mobile unit on the premises allows inmates to have tattoos removed, from their collar-line up and from one-inch-above-the-hand down. The business, called inkoff.me™, is contracted through Prison Industries (PI) and serves prisons throughout the State. In order to participate, an inmate must have no infractions or write ups and have received a Board of Corrections date. Many inmates use this opportunity to have personal markings—such as gang affiliation tattoos—removed. Inkoff.me™ is contracted to be on site for five days every seven weeks.

Inmates observed at the facility appeared to be clean and well-groomed. Inmate uniforms are color-coded to reflect judicial status, zone, or job assignment: any shade of blue is State-issue dress; orange uniforms indicate fire fighters; burgundy-colored outfits indicate someone who works in the kitchen; and gray or white denote personal clothing. Many inmates were out in the

yard or could be observed seeking medical treatment, chatting, reading, watching television, having lunch, or exercising. Others were observed heading to a class or inmate program. Two women were working on a construction project. Another inmate crew was working on a maintenance project involving the digging of pathways through the grassy area. All were well-supervised.

### **Kitchen and Dining Area**

Kitchen floors, counter tops, and appliances were clean, with no residual food odor present. CIW meals can be personalized for diabetics and vegetarians. Snacks are available to diabetics and pregnant mothers. Holiday meal menus are selected by the site's Food Manager. Hot meals are served in a cafeteria room, with breakfast beginning at 6:00 AM, and dinner beginning at 4:40 PM. A daily sack lunch is provided to inmates.

### **Dormitory**

Latham Honor Dormitory features a day room, with library books and a large television. Telephones are available for use, with email and video-messaging available for a fee. The women live in small cells containing one double bunk, a small area for the personal items for each occupant and a toilet. Cells appeared orderly and tidy. Cell doors are kept unlocked during the day, and locked-down at night. The dormitory's Canteen was open, and those with credit funds were able to purchase snacks. One resident, who is part of the CIW "Leash on Life" K-9 training program, demonstrated the skills of her dog-in-training. These dogs are trained by inmates, and then made available to veterans or those with special needs in the neighboring communities. These dogs live with their inmate-trainers 24/7. One inmate has trained over 26 dogs to date. CIW also maintains a cat socialization program for inmates.

### **Auditorium/General Assembly Building**

Clean-up was underway in the Auditorium following their 'Day of Peace Program,' which sought to enhance understanding between diverse cultures. This program was observed in prisons statewide. The Auditorium also provides exercise equipment for the inmates, and features an instructor who conducts various fitness programs. Movies can be shown there, as well as instructional videos. The Civil Grand jury observed inmates refurbishing a number of

bicycles. Completed bikes are then used as incentive for children and their families who have been referred to a School Attendance Review Board (SARB) hearing due to poor school attendance. Finally, CIW inmates raised \$24,000 for charitable organizations in their community.

### **Local CDCR Fire Camps**

The California Department of Corrections and Rehabilitation has assigned inmates from CIW to local area fire camps since 1946.

The fire camps are: Malibu Conservation Fire Camp # 13; Puerta La Cruz Conservation Fire Camp # 14; and Rainbow Conservation Fire Camp # 2. These inmate trustees have their own housing unit within CIW, with their own dorms and food services. Fire crew trucks are stationed at CIW for transportation to the fire camps.

## **HIGH DESERT DETENTION CENTER**

Per California Penal Code § 919(b), the Civil Grand Jury shall inquire into the condition and management of the public prisons and jails within the county.

### **Inspection Form and Observations**

FACILITY NAME: High Desert Detention Center (HDDC).

INSPECTION DATE: January 10, 2020.

FACILITY CAPACITY: 1,250 – 1,275 inmates.

TYPE OF FACILITY: Type II (Minimum security) facility.

ADDRESS: 9438 Commerce Way, Adelanto, CA 92301.

STAFF: 185 Correctional Officers, 160 inmate trustees.

### **Glossary**

CCTV - Closed-Circuit Television.

GED – General Education Development.

HDDC - High Desert Detention Center.

### **History**

A County facility under the direction of the San Bernardino County Sheriff's Department, the High Desert Detention Center opened in 2006 as the first Type II (minimum security) facility in the High Desert area. It houses both male and female inmates. It has annual fire, health, environmental health, and nutritional inspections.

The facility takes a modern approach to incarceration—one designed to educate and rehabilitate inmates so that they can be productive members of society upon release—rather than simply being a “lock-up” facility. To this end, the HDDC has implemented various trade training programs for inmates, along with parenting classes and opportunities for education, including the ability to earn a GED.



## **Site Tour**

The High Desert Detention Center includes facilities for inmate lock up, temporary holding, court holding, and both long-term and short-term sentencing. Although the facility has two levels, only the lower ground level is currently in use.

The Main Control Room Monitoring Area is continuously staffed, and provides views of the entire facility, inside and out, by Closed-Circuit Television (CCTV) at all times. The Video Arraignment Room contains monitors and cameras for the judge, inmate, and an inmate's attorney. A waiting area for around 20-30 inmates/visitors is provided. Onsite visits are conducted via video, with the guest in one building and the inmate in another, at video desks. A separate room is provided for family, clergy, or attorney visits. There is also a well-supervised play area for one-on-one visits with children. These visits are connected to the facility's parenting classes for the inmates.

## **Intake and Release Areas**

Inmates first entering the Intake Area are searched, paperwork-processed, and sent to the small medical segment, where they receive a basic medical examination. Next, they exchange their street clothing for jumpsuits and surrender all personal belongings. Inmate uniforms appeared to be neat and clean, and are color-coded to reflect judicial status, zone, or job assignment. At intake, inmates are provided a copy of the Rules and Procedures. These Rules and Procedures are also posted throughout the facility. At the Release Area, inmates are paper work-processed out, receive their personal property back, change into their street clothes, and are escorted off the premises to waiting transportation.

## **Kitchen and Dining Area**

There are two main kitchens: one for staff and the other for inmates. Those who work in the inmate kitchen eat what the inmates eat; those who work in the staff kitchen eat what the staff eats. Kitchen assignments are merit-based, and the inmates work hard to try to get accepted to kitchen duty. The kitchens appeared clean and well-maintained. Meals are served in the cells, in dayrooms and in the cafeteria area. Meals are also served in the dorms.

## **Quarters**

The HDDC facility has relatively few cells, and those are reserved for disciplinary cases. There is a Suicide Watch Cell, and it appeared clean and well-maintained. Otherwise, the inmates have bunks within general dorms. Four dorms are arranged in a square, with the security platform straddling all four with a glass floor. Guards on the security floor can observe all areas of each dorm at all times, in addition to Closed-Circuit Television monitoring. Dorms consist of bunks in the sleeping area, half-wall showers, a half-wall toilet area, a social area with bolted-down tables and seats, a television mounted on the wall, and a video-visiting station. Shower areas appeared to be clean and well-maintained. The facility's Exercise Yard contains several types of equipment, along with collect-call phones; all appeared clean and well-maintained.

## **PRADO CONSERVATION FIRE CAMP #28**

Per California Penal Code § 919(b), the Civil Grand Jury shall inquire into the condition and management of the public prisons and jails within the county.

### **Inspection Form and Observations**

FACILITY NAME: Prado Conservation Fire Camp #28.

INSPECTION DATE: January 17, 2020.

FACILITY CAPACITY: 72 CDCR inmates, with a maximum of 91.

TYPE OF FACILITY: CDCR State Prison

ADDRESS: 14467 Central Avenue, Chino, CA 91710.

STAFF: 9 Correctional Officers, 10 CAL FIRE personnel

### **Glossary**

CAL FIRE - California Department of Forestry and Fire Protection.

CDCR - California Department of Corrections and Rehabilitation.

GED - General Education Development.

MKU - Mobile Kitchen Unit.

PCFC - Prado Conservation Fire Camp.

### **History**

Prado Conservation Fire Camp (PCFC) is located in Chino, California, adjacent to the California Institution for Men. The Camp opened on October 1, 1963, and is jointly operated by the California Department of Corrections and Rehabilitations (CDCR) and the California Department of Forestry and Fire Protection (CAL FIRE). Administrative Supervision of PCFC is provided by the Sierra Conservation Center (SCC), with CAL FIRE management direction provided by the San Bernardino CAL FIRE Unit. The primary mission of the Camp is to provide inmate fire crews for fire suppression activities, principally in San Bernardino County. The Camp is located to provide immediate response to five nearby counties, but crews may be called to respond anywhere in the State. In the 2019 fire season, inmates from Prado Conservation Fire Camp provided over 1,000 hours of firefighting work hours in Southern California.

In addition to fire suppression actions, inmate hand crews provide a work force for numerous local area conservation projects, including fire defense improvements, weed abatement, debris clearance from flood channels, and beautification and maintenance of tax-supported public recreation areas. Other community projects being performed by inmates include making fire protection signs for the U.S. Forestry Department; tree farming for forest replacement; restoration of historical vehicles, fire trucks and apparatus; and restoration of historical landmarks. Additionally, Camp crews support fire abatement activities in Chino Hills State Park, Carbon Canyon, the Corona Airport, and Corona Parks and Recreation Areas. Inmates from Prado Conservation Fire Camp also provide numerous community service work hours.

## **Site Tour**

### Housing and Support Buildings

Living quarters at Prado Conservation Fire Camp are in a dormitory setting. The bunks were observed to be neat and orderly, with footlockers provided for an inmate's personal items. Each dorm unit contains showers, restroom facilities and a laundry room. Special firefighting clothing is provided to each inmate.

The Mess Hall building has a well-equipped kitchen. The whole area is very clean.

The Maintenance Building has a well-equipped machine shop for project fabrication and repair. In the same building are hand tools for firefighting, and other equipment for use throughout the Camp.

The garage building has several bays containing fire trucks, ready to be sent to fire areas.

Prado Conservation Fire Camp also has a CAL FIRE Mobile Kitchen Unit (MKU). This MKU may be dispatched to feed up to 2,500 fire line meals to fire fighters and support staff anywhere in the State. It is staffed by a crew of 17 Conservation Camp inmates.

The CAL FIRE Station and barracks are located adjacent to the Camp, along with their headquarters office.

Prado Conservation Fire Camp is set up to serve as a mobilization center for fires in Southern California. A large open area next to the Camp is used during this operation. The mobilization center may hold over a thousand inmates and firefighting crews from all over the State, ready for dispatch by CAL FIRE and waiting to respond to fire breakouts in the southern counties.

The Prado Helitack Base (CAL FIRE San Bernardino Unit – Air Attack Prado Helitack Base Fire # 305) is located adjacent to the Camp. The helicopter is used both for making water drops, and for transporting fire crews to and from Prado and remote areas.

### Inmates

Currently there are 72 inmates housed in Camp.

Three fire crews, comprised of 17 inmates each, work in the field. Inmates are selected to this program through a rigorous review process that excludes any violent or sexual offenders. Those inmates selected receive firefighting training at the Sierra Conservation Center in Jamestown, California.

The remaining inmates in Camp serve as cooks, clerks, landscapers, and Camp maintenance workers. Some inmates are trained as skilled shop workers in order to perform welding, equipment repair, vehicle servicing, and carpentry within the Camp. Inmates earn a minimal salary and /or time off of their sentences, depending on the difficulty of their assignments. In conjunction with the California Institution for Men, PCFC Inmates also have the opportunity to earn GED/College degrees.

## **THE TREATMENT OF JUVENILES IN THE DETENTION AND ASSESSMENT CENTERS**

### **SUMMARY**

The San Bernardino County Civil Grand Jury decided to investigate the treatment of juveniles within the detention centers, which included the use of Oleoresin Capsicum/Pepper Spray (OC/PS). The Civil Grand Jury had the following questions: whether OC/PS is being applied too frequently or only when necessary, what are the reasons for application, is follow-up medical treatment given, and if so, who decides when, where and how, and whether there are short-term and long-term side effects.

Consequently, two other important issues were brought to our attention. The first was the availability of behavior/mental health care. Evidence established that there is a high percentage of youth in the detention centers who have behavior/mental health issues. The San Bernardino County Civil Grand Jury discovered that behavior/mental health care professionals are not on the premises between 7:00 PM through 7:00 AM. However, the Civil Grand Jury discovered that youth can ask for help through a request form, and their request would be answered within 48 hours.

The second issue was how the reward “dollars” (Behavior and School Dollar System) are implemented. Can behavior dollars be taken away if a youth misbehaves or fails to do a task that is required?

In July 2020, we added COVID-19 safety issues to our inquiry. The purpose was to verify that all guidelines for safety were being followed to protect the youth inside the juvenile detention centers.

## **Glossary**

**CBT – Cognitive Behavioral Therapy** - A form of psychological treatment that has been demonstrated to be effective for a range of problems including depression, anxiety disorders, alcohol and drug use problems, marital problems, eating disorders and severe mental illness.

**CVJDAC** – Central Valley Juvenile Detention and Assessment Center

**FAST** – Forensic Adolescent Services Team

**MAYSI-2** – Massachusetts Youth Screening Instrument Version 2: A 15-minute self-report screening tool designed specifically for use in juvenile detention centers. The measure was designed to be administered by detention center staff with minimal training within 2 days of a youth's admission to the facility.

**MRT** – Moral Reconnection Therapy: A type of behavioral therapy aimed at decreasing the likelihood of someone returning to abusing substances or alcohol. It utilizes a combination of psychological practices to assist with egocentric behaviors and improve moral reasoning and positive identity.

**OC/PS** – Oleoresin Capsicum/Pepper Spray

**PCO** – Probation Corrections Officer

**PO** – Probation Officer

**PPE** – Personal Protective Equipment

## **BACKGROUND**

The 2019-2020 San Bernardino County Civil Grand Jury identified potential issues in regards to the treatment of juveniles inside the juvenile detention centers. The California Penal Code 925 provided the Civil Grand Jury jurisdiction to inquire into these allegations.

## **METHODOLOGY**

The Civil Grand Jury conducted interviews with individual volunteers, medical personnel, special interest group personnel, non-profit organizations, a person who had recently been in the juvenile detention center, and various departments of San Bernardino County. The Civil Grand Jury also toured the Central Valley Juvenile Detention and Assessment Center in the City of San Bernardino. In addition to interviews and tours, the Civil Grand Jury received and reviewed documents from various departments to verify information stated by interviewees.

## **FACTS**

### Pepper Spray Usage

Probation Correction Officers (PCOs) assigned to the San Bernardino County Juvenile Detention and Assessment Centers are authorized to use Oleoresin Capsicum/Pepper Spray (OC/PS) when a youth fails to follow verbal commands to desist fighting, or takes a threatening action physically toward the staff or other youth. OC/PS is considered a moderate-level application of force. Each PCO shall complete an approved Chemical Agent training and an eight-hour Tactical Communication training prior to issuance of OC/PS. No PCO shall use the application of OC/PS for punishment, retaliation, disciplinary purposes, or when a subject is not posing a threat to officers, themselves or others.

Probation Correction Officers (PCOs) assigned to the San Bernardino County Juvenile Detention and Assessment Centers may be issued a SABRE RED four oz. canister, which disperses a cone pattern, or a three oz. canister, which disperses a stream pattern. The



SABRE RED MK-9 Magnum (fogger), an 18.5 oz. canister used for riot control, is located in detention and treatment facilities, and is accounted for by the Area Supervisor. All canisters consist of 1.33% major capsaicinoids concentration, 10% Oleoresin Capsicum/Pepper Spray (OC/PS) rating.

It is required that all PCOs issue a verbal warning to the staff (“code red”) when OC/PS has been applied to the youth at the Juvenile Detention and Assessment Centers. When the incident is over, all youth are handcuffed, irrespective of their level of involvement in the incident, and moved to a safe area for decontamination. Handcuffs shall be removed as soon as safety and security of the youth permits.

There are written guidelines that all PCOs must adhere to for decontamination of youth after OC/PS has been applied. The guidelines require that the youth be involved in the debriefing process. A videotape is used to help accurately complete an Incident Report Form, which contains a description of the circumstances surrounding the use of OC/PS, including what steps were taken to de-escalate the situation to avoid the application of OC/PS. The Civil Grand Jury found no evidence to suggest the misuse of the application of OC/PS within the Central Valley Juvenile Detention and Assessment Center.

Probation Correction Officers (PCOs) and staff members shall be aware of any known medical conditions of youth that could or would be worsened by the use of OC/PS. However, evidence revealed that no written guidelines exist to identify such youth.

All youth have the right to file a grievance for any condition of confinement, including but not limited to health care services, education, classification decisions, programs participation, telephone, mail or visiting procedures, food, clothing, bedding, violations of the non-discrimination policy, mistreatment, and harassment.

### Behavioral and Mental Health

Youth are asked a series of questions during the intake assessment process. Questioning is required to be conducted in a respectful and humane manner. Questions include, but are not

limited to: medical assessment, suicidal ideation assessment, educational information, personal information, and screening for the risk of sexual abuse and prior victimization.

The mental health team at CVJDAC utilizes a triage process that is based on the Massachusetts Youth Screening Instrument 2 (MAYSI-2), a nationally-validated tool. The assessment is completed by the youth upon intake.

All youths detained for 14 days or longer will meet with a Clinical Therapist from the Forensic Adolescent Services Team (FAST) for behavioral and mental health evaluation, to identify a youth's behavioral health needs while detained, which may include Moral Reconnection Therapy (MRT) and Cognitive Behavioral Therapy (CBT). If youth are going through an emotional crisis at any time, they will be immediately referred to FAST by probation staff.

San Bernardino County Juvenile Detention and Assessment Center has established unit programs and activities, both indoor and outdoor, that fit the needs of the youth. Programming can include but is not limited to the following: groups, social skills development, gender specific, tolerance and diversity.

Some youth may be referred to a psychiatrist if needed. A psychiatrist is assigned to the San Bernardino County Juvenile Detention and Assessment Center, during the hours of Monday-Friday 8:00 AM - 5:00 PM. A psychiatrist is a medical doctor who can prescribe medication to help a youth who is having difficulty functioning throughout the day due to their mental health needs.

Prior to the PCOs assuming any responsibility for the supervision of youth, each youth supervision staff member within the San Bernardino County Probation Department shall receive a minimum of 40 hours of facility-specific training. This would include: individual and group supervision techniques; regulations and policies relating to discipline and rights of youth, pursuant to law and the provisions of the chapter; basic health, sanitation and safety measures; suicide prevention and response to suicide attempts; procedures to follow in the event of an emergency; crisis intervention; and mental health referrals to mental health services.

## Behavior and School Dollar System

The Behavior Dollar and School Dollar System is used in the living units and the classrooms. Youth have the ability to earn \$70 behavior dollars and \$40 school dollars, for a maximum of \$110 behavior dollars weekly. The top dollar earners (Citizen of the Month) earn an additional ten dollars on the fourth week of each month. Dollars earned are posted daily, and it is each youth's responsibility to check their own dollars earned. Evidence revealed that once earned, the behavior dollars are not taken away. Behavior dollars cannot be accumulated from week to week. The dollars earned may be used to purchase canteen items and other non-tangible items, some of which are video game time, extra free time, and the opportunity to select a TV program. Evidence showed that each canteen item is given a Behavior Dollar price. The relative costs of canteen items compared to the available maximum weekly Behavior Dollars is out of proportion; the individual item prices demand too many Behavior Dollars. For example, a Rice Krispies Treat is \$25 behavior dollars, which is approximately 23% of the maximum weekly behavior dollars. In general the dollar system is a good idea, but the cost of items needs to be a relative value compared to the maximum weekly amount that can be earned.

Evidence established inconsistencies among the PCOs in regards to applying the guidelines that determine who earns dollars. The Civil Grand Jury learned that these inconsistent applications are addressed each week in the staff meetings. As stated previously, the youth may submit a grievance form for any grievance they have, and that includes if they feel their Behavior Dollars were not fairly awarded. The youth also have an opportunity to voice their concerns during Youth Council, a monthly meeting among their peers.

## COVID-19

The San Bernardino County Juvenile Detention and Assessment Center suspended in-person visitations due to the COVID-19 Pandemic, but they have been temporarily replaced with all-virtual visitations.

On August 31, 2020, the San Bernardino County Civil Grand Jury was granted permission to tour the CVJDAC. To comply with CDC and San Bernardino County guidelines, each member of the Civil Grand Jury had to agree to have their temperatures checked and consent to the wearing of a cloth mask. PCOs and staff personnel are required to adhere to the same guidelines daily. Youths are not required to wear cloth masks, but are encouraged to comply. Only a few hand sanitizer locations were observed within the facility.

During the tour, the Civil Grand Jury inquired into the procedures that are in place to treat any positive case(s) of COVID-19. The Civil Grand Jury was shown the Personal Protection Equipment (PPE) and the isolation area for any youth who tests positive. As of our tour date of August 31, 2020, there had been only one reported incident of a youth testing positive at intake. Due to the due diligence of the staff in implementing the guidelines of the CDC and San Bernardino County, no further cases had been identified or reported.

## **FINDINGS**

F1: Training for Chemical Agents and Tactical Communication (eight hours) are required for PCOs.

F2: All MK-9 Magnum (Fogger) canisters are issued and accounted for by the Area Supervisor, as required.

F3: Guidelines are in place for the spraying of OC/PS and the decontamination process.

F4: An Incident Report Form and videotape are filed for each incident of OC/PS usage.

F5: There are currently no written instructions to identify youth with known medical conditions.

F6: Clinical Therapists are assigned to the Forensic Adolescent Services Team (FAST).

F7: Intake questions are required to be conducted in a respectful and humane manner.

F8: Moral Reconciliation Therapy (MRT) and Cognitive Behavioral Therapy (CBT) are additional programs available to the youth.

F9: The Massachusetts Youth Screening Instrument 2 (MAYSI-2) is administered at intake.

F10: Psychiatrists can prescribe medication for a youth with behavioral/mental health issues.

F11: Minimum of 40 hours of youth supervision training is required of the PCOs.

F12: Behavior dollar prices for canteen items are out of proportion compared to maximum available behavior dollars to earn.

F13: The inconsistencies among PCOs in regards to the determination of who earns dollars are addressed during weekly staff meetings.

F14: Locations of hand sanitizer stations were sparse.

F15: Video visiting has been implemented on a temporary basis by the Department of Juvenile Justice.

F16: FAST personnel are only available on the premises during the hours of 7:00 AM through 7:00 PM.

## **RECOMMENDATIONS**

20-32: Implement Chemical Agents and Tactical Communication training for sixteen hours (eight hours devoted to Chemical Agents training) to be conducted and completed concurrently during scheduled training sessions, to be implemented by June 30, 2021.

20-33: Color-coded wrist bands should be issued to youth with identified underlying health issues, as a visual aid to PCOs prior to OC/PS use, to be implemented by June 30, 2021.

20-34: Increase on-site psychiatrist staff to 24/7 coverage, to be implemented by June 30, 2021.

20-35: FAST staff personnel should be available on-site 24/7, to be implemented by June 30, 2021.

20-36: Minimum training for PCOs should be increased to 80 hours (24 hours devoted to behavioral/ mental health), to be implemented semi-annually, beginning July 1, 2021.

20-37: All canteen item costs should be priced in proportion, not to exceed 3% of the maximum dollar earning potential, to be implemented by June 30, 2021.

20-38: Implement a checklist with parameters of what are acceptable actions to earn behavior dollars in order for all PCOs to be consistent in their evaluation of when and how dollars are earned, to be implemented by June 30, 2021.

20-39: Video visiting should be permanently implemented by January 31, 2021.

20-40: Additional hand sanitizer stations should be located at closer intervals throughout the facility, and bottles should be replenished twice daily, to be implemented by January 31, 2021.

<b><u>AGENCY</u></b>	<b><u>RECOMMENDATIONS</u></b>	<b><u>DUE DATE</u></b>
Probation Department	20-32 through 20-40	3/18/2021