

**CITY COUNCIL, SUCCESSOR REDEVELOPMENT AGENCY,
MONTCLAIR HOUSING CORPORATION, MONTCLAIR
HOUSING AUTHORITY, AND MONTCLAIR COMMUNITY
FOUNDATION MEETINGS**

AGENDA

Monday, April 19, 2021
7:00 p.m.

Webinar Link

<https://zoom.us/j/95239872725>

Dial #

1-669-900-6833

Meeting ID

952-3987-2725



Mayor Javier "John" Dutrey
Mayor Pro Tem Bill Ruh
Council Members Tenice Johnson,
Council Member Corysa Martinez
Council Member Benjamin "Ben" Lopez

City Manager Edward C. Starr
City Attorney Diane E. Robbins
City Clerk Andrea M. Phillips



**REGULAR JOINT MEETING OF THE
CITY COUNCIL, SUCCESSOR AGENCY, MONTCLAIR HOUSING CORPORATION,
MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR COMMUNITY FOUNDATION**

AGENDA

Monday, April 19, 2021
7:00 p.m.

Zoom Link: <https://zoom.us/j/95239872725>

Dial Number: 1-(669)-900-6833

Meeting ID: 937-1715-0550

*As a courtesy, please mute yourself while the meeting is in session, unless speaking (Dial *6 on the phone to toggle mute), and turn off, mute, and disable all video cameras.*

*If you want to make a public comment or speak on an agenda item, including public hearing and closed session items, please complete a Virtual Speaker Card at <https://www.cityofmontclair.org/public-comment/>. The Mayor/Chair (or the meeting's Presiding Officer) will call on those who have submitted a request to speak at the appropriate time. Those who did not submit a request to speak may request speak using the "raise hand" function on the Zoom meeting platform or over the phone by dialing *9. Written comments (200-word limit per agenda item, and 200-word limit for all non-agenda items combined) and requests to speak can also be emailed to cityclerk@cityofmontclair.org.*

Audio recordings of Council meetings are available on the City's website at <https://www.cityofmontclair.org/departments/public-meetings/> and can be accessed by the end of the business day following the meeting.

- I. CALL TO ORDER** City Council [CC], Successor Agency Board [SA],
Montclair Housing Corporation Board [MHC],
Montclair Housing Authority Commission [MHA],
Montclair Community Foundation Board [MCF]

II. INVOCATION

This meeting may include a nonsectarian invocation, which is not intended to proselytize or advance any faith or belief or to disparage any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. PRESENTATIONS

- A. Proclamation Declaring April 2021 as Child Abuse Prevention Month in the
City of Montclair

VI. PUBLIC COMMENT

*During Public Comment, members of the public may comment on any subject that **does not** appear on this agenda. Each speaker is afforded up to five minutes; but the meeting's presiding officer may provide more or less time to accommodate speakers with special needs or a large number of speakers waiting in line. (Government Code Section 54954.3).*

If you did not submit a Virtual Speaker Card and would like to speak on an item on the Consent Calendar, please speak during Public Comment to announce the agenda item you would like to provide comments on. The presiding officer will pull the item from the Consent Calendar and will then call on you to speak at the time of the item's consideration.

Under the provisions of the Brown Act, the meeting bodies are prohibited from participating in substantial discussion of or taking action on items not listed on the agenda.

VII. PUBLIC HEARINGS

- A. Second Reading — Consider Adoption of Ordinance No. 21-995 Amending
Section 8.36.090 of the Montclair Municipal Code to Eliminate Commercial
Truck Parking on Brooks Street and Palo Verde Street [CC]

4

VIII. CONSENT CALENDAR

A. Approval of Minutes

1. Regular Joint Meeting — April 5, 2021 [CC/SA/MHC/MHA/MCF]

B. Administrative Reports

1. Consider Receiving and Filing of Treasurer’s Report [CC] 7
2. Consider Approval of Warrant Register & Payroll Documentation [CC] 8
3. Consider Receiving and Filing of Treasurer’s Report [SA] 9
4. Consider Approval of Warrant Register [SA] 10
5. Consider Receiving and Filing of Treasurer’s Report [MHC] 11
6. Consider Approval of Warrant Register [MHC] 12
7. Consider Receiving and Filing of Treasurer’s Report [MHA] 13
8. Consider Approval of Warrant Register [MHA] 14
9. Consider Receiving and Filing Annual Independent Audit Reports for the City of Montclair and the Successor Agency to the City of Montclair Redevelopment Agency [CC/SA] 15

C. Agreements

1. Consider Approval of Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47 with the San Bernardino County Department of Aging and Adult Services to Provide Additional Funding to Support the Elderly Nutrition Program [CC] 17

D. Resolutions

1. Consider Adoption of Resolution No. 21-3307 Declaring the Need for Emergency Contracting Procedures for the Pacific Electric Trail Bridge Replacement Project [CC]
Consider Amending the Fiscal Year 2019-2024 Capital Improvement Program, Adding the Pacific Electric Trail Bridge Replacement Project [CC]
Consider Authorizing a \$500,000 Appropriation from the General Fund Reserve for the Cost Related to the Pacific Electric Trail Bridge Replacement Project [CC]
Consider Authorizing the City Manager to Execute Any Necessary Agreements in Relation to the Pacific Electric Trail Bridge Replacement Project [CC] 21
2. Consider Adoption of Resolution No. 21-3308 Opposing Senate Bill 9 (Atkins) - Housing Development: Approvals [CC] 26

IX. PULLED CONSENT CALENDAR ITEMS

X. COUNCIL WORKSHOP

A. Presentation on Potential Pension and Infrastructure Bonds

(The City Council may consider continuing this item to an adjourned meeting on Tuesday, April 20, 2021, at 6:00 p.m.)

XI. COMMUNICATIONS

A. Department Reports — None

B. City Attorney

C. City Manager/Executive Director

D. Mayor/Chairperson

- 1. Announcement of Vacancies on Planning Commission (2) and Community Activities Commission (3)

Apply at www.cityofmontclair.org by May 4, 2021 at 5:30 p.m.

E. Council Members/Directors

F. Committee Meeting Minutes *(for informational purposes only)*

- 1. Public Works Committee Meeting — September 17, 2020 [CC] 37
- 2. Public Works Committee Meeting — February 18, 2021 [CC] 41
- 3. Personnel Committee Meeting — April 5, 2021 [CC] 47

XII. ADJOURNMENT

The next regular joint meeting of the City Council, Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board will be held on Monday, May 3, 2021, at 7:00 p.m.

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the meeting bodies after publication of the Agenda packet are available for public inspection in in the Office of the City Clerk between 7:00 a.m. and 6:00 p.m., Monday through Thursday. Pursuant to the Governor’s Executive Orders in relation to the COVID-19 pandemic, please call the City Clerk’s Office at (909) 625-9416 or send an e-mail to cityclerk@cityofmontclair.org to request documents via e-mail.

If you need special assistance to participate in this meeting, please contact the City Clerk’s Office at (909) 625-9416 or e-mail cityclerk@cityofmontclair.org. Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Andrea M. Phillips, City Clerk, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the City’s website at <https://www.cityofmontclair.org/departments/public-meetings/> and on the bulletin board adjacent to the north door of Montclair City Hall at 5111 Benito Street, Montclair, CA 91763 on Thursday, April 15, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	PKG300
SECTION:	PUBLIC HEARINGS	DEPT.:	PUBLIC WORKS
ITEM NO.:	A	PREPARER:	N. CASTILLO
SUBJECT:	SECOND READING — CONSIDER ADOPTION OF ORDINANCE NO. 21-995 AMENDING SECTION 8.36.090 OF THE MONTCLAIR MUNICIPAL CODE TO ELIMINATE COMMERCIAL TRUCK PARKING ON BROOKS STREET AND PALO VERDE STREET		

REASON FOR CONSIDERATION: Parking restrictions and allowances for specified City streets are included in the Montclair Municipal Code in consideration of surrounding property uses, developments, and activities.

Proposed Ordinance No. 21-995 eliminating the commercial truck parking permit program on Brooks and Palo Verde streets was first introduced at the February 16, 2021 regular City Council meeting, and was referred back to the Public Works Committee to review potential alternative solutions. At its March 18th meeting, the Public Works Committee was informed of several alternate locations nearby on private property available for commercial truck parking and determined the Brooks and Palo Verde commercial truck parking permit program utilizes a disproportionately large amount of resources for the few who benefit from the program. The Committee reaffirmed its recommendation that the City Council eliminate the commercial truck parking permit program on both Brooks and Palo Verde Streets.

The first reading of Ordinance No. 21-995 was conducted by the City Council at its regular meeting on April 5, 2021. The City Council is now requested to consider adoption of Ordinance No. 21-995, a copy of which is attached.

BACKGROUND: Since the year 2000 there have been complaints from residents and businesses about trucks parking on restricted streets and parking in front of residences and businesses, blocking the view of the businesses from the street. Signs posted to restrict truck parking were somewhat effective, but the problem just migrated to other blocks. In 2006, a total ban of truck parking on City streets was presented to the Public Works Committee. During the City Council's public hearing process for the Ordinance, several residents and business owners spoke and stated they needed some place to park their trucks in the City. The issue was returned to the Public Works Committee in early 2007 and the Ordinance was modified to restrict truck parking on most streets in the City, but allowed trucks to continue parking on Brooks Street between Ramona Avenue and east of Monte Vista Avenue.

Mr. Squyres, a resident, attended the public hearings and requested consideration of additional streets for truck parking, but the Ordinance remained unchanged. Since its adoption in 2007, Mr. Squyres occasionally parked his truck at his residence and was issued a citation for parking a commercial vehicle in a residential area. In 2012, the Public Works Committee agreed to issue parking permits on an individual basis for trucks to park on Palo Verde Street between Central Avenue and Carrillo Street. The expectation was that Mr. Squyres's truck would only be parked on the street a few times a year and not every weekend, therefore it was not anticipated to be a problem.

The parking permit program on Palo Verde Street did not specify a maximum number of permits to be issued and, as an unintended consequence, the number of trucks parked

on Palo Verde Street has grown over the years. This has attracted trucks to illegally park in other segments of Palo Verde where truck parking is prohibited.

The City's General Plan vision is to continue to improve safety, access, and mobility for all. The actions taken in 2006 to ban truck parking on City streets was tempered by the inclusion of Brooks Streets and Palo Verde to allow for a smooth transition to the ultimate goal of a total ban of truck parking on City streets. It has been over 15 years now and is Public Works Director/City Engineer Castillo's recommendation to remove A(4) and A(5) of Section 8.36.090 of the Montclair Municipal Code. Executive Director, Office of Public Safety/Police Chief Avels endorses the deletion as the truck parking creates safety and policing concerns. City Manager Starr endorses the deletion since it will assist with the removal of unsightly trucks that create blight in the community. All new development projects in the City must provide adequate onsite parking for their buildings' commercial truck needs. Owner-operators need to make accommodations and provide the parking for their trucks on the property. Implementing a total ban of truck parking on City streets will advance the City toward its goal of creating a public place where vehicles and pedestrians can coexist in a much more aesthetically pleasing and safe manner.

All permit holders for parking in the segment of Palo Verde Street and the business within the segment of Brooks Street have been notified by mail of the proposed Ordinance eliminating the commercial truck parking permit program.

FISCAL IMPACT: Adoption of this Ordinance would have no discernable impact to the City's General Fund.

RECOMMENDATION: Staff recommends that the City Council adopt Ordinance No. 21-995 amending Section 8.36.090 of the Montclair Municipal Code to eliminate commercial truck parking on Brooks Street and Palo Verde Street.

ORDINANCE NO. 21-995

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR, CALIFORNIA AMENDING SECTION 8.36.090 OF CHAPTER 8.36 OF THE MONTCLAIR MUNICIPAL CODE TO PROHIBIT COMMERCIAL VEHICLE PARKING ON BROOKS STREET AND PALO VERDE STREET

WHEREAS, Chapter 8.36 of the Montclair Municipal Code currently sets forth regulations concerning stopping, standing and parking on City streets and other property in the City; and

WHEREAS, paragraphs A.4. and A.5. of Section 8.36.090 of the Montclair Municipal Code currently allow commercial vehicles having a manufacturer's gross vehicle weight rating (GVWR) of 10,000 pounds or more to park on certain areas of Brooks Street and Palo Verde Street; and

WHEREAS, it is determined to be in the best interests of the City and its residents to amend Section 8.36.090 of the Montclair Municipal Code to prohibit the parking of commercial vehicles having a GVWR of 10,000 pounds or more on Brooks Street and Palo Verde Street.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTCLAIR DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I. Deletion of paragraphs A.4. and A.5. from Section 8.36.090.

Section 8.36.090 of Title 8 of the Montclair Municipal Code is hereby amended by deleting paragraphs A.4. and A.5.

SECTION II. Severability.

If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION III. Effective Date.

This Ordinance shall be in full force and effect thirty (30) days after passage.

SECTION IV. Posting.

The City Clerk shall certify to the passage of this Ordinance and cause the same to be posted pursuant to Government Code Section 36933.

APPROVED AND ADOPTED this XX day of XX, 2021.

Mayor

ATTEST:

City Clerk

I, Andrea M. Phillips, City Clerk of the City of Montclair, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. 21-995 of said City, which was introduced at a regular meeting of the City Council held on the XX day of XX, 2021, and finally passed not less than five (5) days thereafter on the XX day of XX, 2021, by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Andrea M. Phillips
City Clerk



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN520
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	FINANCE
ITEM NO.:	1	PREPARER:	J. KULBECK
SUBJECT:	CONSIDER RECEIVING AND FILING OF TREASURER'S REPORT		

REASON FOR CONSIDERATION: The City Council is requested to consider receiving and filing the City of Montclair Treasurer's Report for the month ending March 31, 2021.

BACKGROUND: Included in the City Council's agenda packet is a copy of the Treasurer's Report for the period ending March 31, 2021.

FISCAL IMPACT: Routine—report of City's cash and investments.

RECOMMENDATION: Staff recommends the City Council receive and file the Treasurer's Report for the month ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN540
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	FINANCE
ITEM NO.:	2	PREPARER:	L. LEW/V. FLORES
SUBJECT:	CONSIDER APPROVAL OF WARRANT REGISTER AND PAYROLL DOCUMENTATION		

REASON FOR CONSIDERATION: The City Council is requested to consider approval of the Warrant Register and Payroll Documentation.

BACKGROUND: Mayor Pro Tem Ruh has examined the Warrant Register dated April 19, 2021, and the Payroll Documentation dated March 14, 2021, and recommends their approval.

FISCAL IMPACT: The Warrant Register dated April 19, 2021, totals \$815,004.31; and the Payroll Documentation dated March 14, 2021 totals \$597,894.02 gross, with \$415,249.67 net being the total cash disbursement.

RECOMMENDATION: Staff recommends the City Council approve the above-referenced Warrant Register and Payroll Documentation.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN510
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	SA
ITEM NO.:	3	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER RECEIVING AND FILING OF TREASURER'S REPORT		

REASON FOR CONSIDERATION: The City Council acting as Successor to the Redevelopment Agency Board of Directors (Successor Agency Board) is requested to consider receiving and filing the Successor to the Redevelopment Agency Treasurer's Report for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Included in the Successor Agency Board's agenda packet is a copy of the Successor to the Redevelopment Agency Treasurer's Report for the period ending March 31, 2021.

FISCAL IMPACT: Routine—report of the Successor Agency's cash.

RECOMMENDATION: Staff recommends the Successor Agency Board receive and file the Successor to the Redevelopment Agency Treasurer's Report for the month ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN530
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	SA
ITEM NO.:	4	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER APPROVAL OF WARRANT REGISTER		

REASON FOR CONSIDERATION: The City Council acting as Successor to the Redevelopment Agency Board of Directors is requested to consider receiving and filing the Successor to the Redevelopment Agency Warrant Register for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Vice Chair Ruh has examined the Successor to the Redevelopment Agency Warrant Register dated 03.01.21–03.31.21 in the amounts of \$13,270.07 for the Combined Operating Fund and \$2,433,678.00 for the Redevelopment Obligation Retirement Funds, and finds it to be in order.

FISCAL IMPACT: Routine—report of Agency's obligations.

RECOMMENDATION: Vice Chair Ruh recommends the City Council as Successor to the Redevelopment Agency Board of Directors approve the Successor to the Redevelopment Agency Warrant Register for the period ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN525
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	MHC
ITEM NO.:	5	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER RECEIVING AND FILING OF TREASURER'S REPORT		

REASON FOR CONSIDERATION: The Montclair Housing Corporation Board of Directors is requested to receive and file the Montclair Housing Corporation Treasurer's Report for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Included in the Montclair Housing Corporation Board agenda packet is a copy of the Treasurer's Report for the period ending March 31, 2021.

FISCAL IMPACT: Routine—report of the Montclair Housing Corporation's cash and investments.

RECOMMENDATION: Staff recommends the Montclair Housing Corporation Board of Directors receive and file the Treasurer's Report for the month ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN545
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	MHC
ITEM NO.:	6	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER APPROVAL OF WARRANT REGISTER		

REASON FOR CONSIDERATION: The Montclair Housing Corporation Board of Directors is requested to consider receiving and filing the Warrant Register for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Vice Chair Ruh has examined the Warrant Register dated 03.01.21–03.31.21 in the amount of \$26,673.41 for the Montclair Housing Corporation and finds it to be in order.

FISCAL IMPACT: Routine—report of Montclair Housing Corporation's obligations.

RECOMMENDATION: Vice Chair Ruh recommends the Montclair Housing Corporation Board of Directors approve the Warrant Register for the period ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN525
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	MHA
ITEM NO.:	7	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER RECEIVING AND FILING OF TREASURER'S REPORT		

REASON FOR CONSIDERATION: The Montclair Housing Authority Commission is requested to receive and file the Montclair Housing Authority Treasurer's Report for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Included in the Montclair Housing Authority Commission's agenda packet is a copy of the Treasurer's Report for the period ending March 31, 2021.

FISCAL IMPACT: Routine—report of Montclair Housing Authority's obligations.

RECOMMENDATION: Staff recommends the Montclair Housing Authority Commission receive and file the Treasurer's Report for the month ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN545
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	MHA
ITEM NO.:	8	PREPARER:	C. RAMIREZ
SUBJECT:	CONSIDER APPROVAL OF WARRANT REGISTER		

REASON FOR CONSIDERATION: The Montclair Housing Authority Commission is requested to consider receiving and filing the Warrant Register for the month ending March 31, 2021, pursuant to state law.

BACKGROUND: Vice Chair Ruh has examined the Warrant Register dated 03.01.21-03.31.21 in the amount of \$0.00 for the Montclair Housing Authority and finds it to be in order.

FISCAL IMPACT: Routine—report of Montclair Housing Authority's obligations.

RECOMMENDATION: Vice Chair Ruh recommends the Montclair Housing Authority Commission approve the Warrant Register for the period ending March 31, 2021.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	FIN100/FIN130
SECTION:	CONSENT - ADMIN. REPORTS	DEPT.:	FINANCE/SA
ITEM NO.:	9	PREPARER:	J. KULBECK
SUBJECT:	CONSIDER RECEIVING AND FILING ANNUAL INDEPENDENT AUDIT REPORTS FOR THE CITY OF MONTCLAIR AND THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY		

REASON FOR CONSIDERATION: Though not required by law, in order to provide more transparency and documentation, the City Council is asked to receive and file the annual reports prepared by the City's independent auditing firm and a compliance audit performed by Measure I auditors.

BACKGROUND: The City of Montclair has engaged the auditing firm of Van Lant & Fankhanel, LLP, Certified Public Accountants (City Auditors) to perform independent audit of its financial transaction and to conduct other reviews required by law. Attached for City Council's information are hard copies of the reports issued by this firm which are discussed in detail below.

The results of these engagements and the reports associated with them are as follows:

- Financial audit of the City of Montclair for the fiscal year ended June 30, 2020 which contains financial statements covering City operations. The financial statements presented in this report received an unqualified opinion from the auditing firm.
- Audit Communication Regarding Conduct of Audit - This letter provides information on the conduct of the audit. The auditor's indicated:
 - All significant transactions have been recognized in the financial statements in the proper period.
 - They encountered no significant difficulties in dealing with management in performing and completing their audit.
 - Any misstatements noted were corrected by management.
 - No disagreements with management arose during the course of the audit.
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters. This report covers deficiencies and weaknesses in internal control that could cause material misstatements. No deficiencies were noted by the auditors.
- Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets. This is a set of procedures performed on the City's Gann Appropriation Limit as required by State Law. No findings were noted in the performance of these procedures.

- **Successor Agency – Bonding Requirement Financial Disclosure Financial Statements**
– This is a special purpose audit covering only those operations of the Successor Agency (prior redevelopment agency) that affect bond issues. Prior to the elimination of redevelopment there was a separate financial audit performed and that was required as part of our continuing disclosure requirement for those bond issues. That audit was eliminated in the dissolution process and we now prepare this special report to comply with those disclosure requirements. This report gives the bond community specific information on the transactions associated with those bonds. To the best of staff’s knowledge, we are the only successor agency that prepares this type of disclosure. For the fiscal year ended June 30, 2020, all of the continuing disclosure reporting requirements were completed, within the prescribed time limits.

The financial audits of the City and the special audit of the Successor Agency were completed in early 2021. No management comments have been made by the City Auditors to the City indicating any policies and/or procedures that they would like to see improved.

Additionally, as required by Measure I, independent auditors are engaged by the San Bernardino County Transportation Authority to annually perform a financial and compliance audit of the City of Montclair’s Measure I fund. This audit is to include a computation of Maintenance of Effort. For Fiscal Year 2019–2020 this audit was performed by Eide Bailly LLP, Certified Public Accountants and their report is attached. The Measure I Fund received an unqualified financial statement opinion and no noncompliance was noted. The Maintenance of Effort computation, which compares general city street and highway expenditures against an annual base requirement, indicated that the City of Montclair has exceeded its cumulative Maintenance of Effort requirement by \$16,390,308.

FISCAL IMPACT: There is no fiscal impact in receiving and filing the reports provided by the City and Measure I Auditors.

RECOMMENDATION: Staff recommends the City Council and Successor Agency Board receive and file annual independent audit reports for the City of Montclair and the Successor Agency to the City of Montclair Redevelopment Agency.



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	HSV105/GRT125
SECTION:	CONSENT - AGREEMENTS	DEPT.:	HUMAN SVCS.
ITEM NO.:	1	PREPARER:	A. COLUNGA
SUBJECT:	CONSIDER APPROVAL OF AGREEMENT NO. 21-20, AMENDMENT NO. 1 TO AGREEMENT NO. 19-47 WITH THE SAN BERNARDINO COUNTY DEPARTMENT OF AGING AND ADULT SERVICES TO PROVIDE ADDITIONAL FUNDING TO SUPPORT THE ELDERLY NUTRITION PROGRAM		

REASON FOR CONSIDERATION: The City Council is requested to consider approval of an amendment to the existing contract, Agreement No. 19-47, with the San Bernardino County Department of Aging and Adult Services. Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47, increases the not-to-exceed funding amount for the Elderly Nutrition Program.

BACKGROUND: On June 3, 2019, City Council approved Agreement No. 19-47 with the San Bernardino County Department of Aging and Adult Services to provide funding to support the Elderly Nutrition Program for adults, ages 60 and over. This grant funding is used for part-time salaries, nutrition education consultant fees, training, program supplies, and catered food expenses needed to operate the program. The City of Montclair is contracted to serve up to 52,761 meals for the three year grant period and provide 252 days of service annually.

Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47, is attached for City Council review and includes an additional \$225,000, for a not-to-exceed grant amount of \$675,000 for the three-year grant period. The term of Agreement No. 21-20 remains unchanged—July 1, 2019 through June 30, 2022.

FISCAL IMPACT: Approval of this contract amendment will increase the cost reimbursement not-to-exceed amount from \$450,000 to \$675,000 for three years. The actual contract funding for each fiscal year continues to remain subject to the availability of funds. Available funding will continue to assist the City with paying staff wages and other allowable program costs.

RECOMMENDATION: Staff recommends the City Council approve Agreement No. 21-20, Amendment No. 1 to Agreement No. 19-47, with the San Bernardino County Department of Aging and Adult Services.



Agreement No. 20-21

Contract Number

19-371 A-1

SAP Number

4400011668

Department of Aging and Adult Services

Department Contract Representative	Patty Steven
Telephone Number	909.388.0212
Contractor	City of Montclair
Contractor Representative	Marcia Richter
Telephone Number	909.625.9453
Contract Term	July 1, 2019 through June 30, 2022
Original Contract Amount	\$ 450,000
Amendment Amount	\$ 225,000
Total Contract Amount	\$ 675,000
Cost Center	5292001036

IT IS HEREBY AGREED AS FOLLOWS:

AMENDMENT NO. 1

It is hereby agreed to amend Contract No. 19-371, effective May 4, 2021, as follows:

V. FISCAL PROVISIONS

Paragraph A is amended to read as follows:

- A. The maximum amount payable under this Contract shall not exceed \$675,000, of which \$675,000 may be federally funded, and shall be subject to availability of funds to the County. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.

XI. CONCLUSION

Paragraphs C and D are amended to read as follows:

- C. This Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the

party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.

D. IN WITNESS WHEREOF, the Board of Supervisors of the County of San Bernardino has caused this Contract to be subscribed to by the Clerk thereof, and Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officers, the day, month, and year written.

Attachment A - Scope of Work

IV. Program Outcomes:

Section IV. Program Outcomes is amended to read as follows:

Total Number of Meals to be served: 52,761

A minimum of 95% of the total number of meals is to be provided to receive 100% of available funding. The Director of DAAS must approve requests to serve less than 95% of the total number of meals to be provided. All such requests must be in writing.

Program: C-1 (Congregate Meals)	Program C-2 (Home-Delivered Meals)
# of Days of Service: 252	# of Days of Service: N/A
Number of Meals: 52,761	Number of Meals: N/A
Sites to be Served: The City of Montclair Senior Center	Areas to be Served: N/A

All other terms and conditions of Contract No. 19-371 remain in full force and effect.

BOARD OF SUPERVISORS

►

Curt Hagman, Chairman, Board of Supervisors

Dated: _____
SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

City of Montclair
(Print or type name of corporation, company, contractor, etc.)

By ► _____
(Authorized signature - sign in blue ink)

Name _____
Javier John Dutrey
(Print or type name of person signing contract)

Title _____
Mayor
(Print or Type)

Dated: _____

Address _____
5111 Benito Street

Montclair, CA 91763

FOR COUNTY USE ONLY

Approved as to Legal Form
►

Jacqueline Carey-Wilson, Deputy County Counsel

Reviewed for Contract Compliance
►

Jennifer Mulhall-Daudel, Contracts Manager

Reviewed/Approved by Department
►

Sharon Nevins, Director,
Department of Aging and Adult Services

Date _____

Date _____

Date _____



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	TRN110A
SECTION:	CONSENT - RESOLUTIONS	DEPT.:	PUBLIC WORKS
ITEM NO.:	1	PREPARER:	C. CASTILLO

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 21-3307 DECLARING THE NEED FOR EMERGENCY CONTRACTING PROCEDURES FOR THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT

CONSIDER AMENDING THE FISCAL YEAR 2019-2024 CAPITAL IMPROVEMENT PROGRAM, ADDING THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT

CONSIDER AUTHORIZING A \$500,000 APPROPRIATION FROM THE GENERAL FUND RESERVE FOR THE COST RELATED TO THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT

CONSIDER AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY AGREEMENTS IN RELATION TO THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT

REASON FOR CONSIDERATION: The City Council is requested to declare the need for emergency contracting procedures for replacement of the Pacific Electric Trail Bridge, which was recently damaged by a fire. Under Public Contract Code Section 22050, a four-fifths majority vote is required. Additionally, staff recommends that the 2019-2024 Capital Improvement Program (CIP) be amended to add the Pacific Electric Trail Bridge Replacement Project. Amendments to the CIP and appropriations require City Council approval. Finally, Staff is requesting City Council to approve the execution of various agreements for the replacement of the Pacific Electric Trail Bridge.

BACKGROUND: San Bernardino County Transportation Authority (SBCTA) in coordination with the City of Montclair and other cities, constructed a multi-purpose trail linking cities from Claremont to Rialto along the famous Pacific Electric Railway Line. This 21-mile class I trail is a vital component of our Active transportation and Healthy Montclair programs. The trail provides recreational and alternative transportation opportunities for cyclists, pedestrians, runners, and equestrians. Linking our residents and the commuting public to schools, jobs and our regional transportation hub, the 20-acre Montclair Transcenter is the largest facility of its kind between Union Station in Los Angeles and the San Bernardino station, and conveniently connects the region's fixed route commuter rail, bus services, and rideshare programs in one centrally located area. The Pacific Electric Trail is a vital connection to this important transportation hub.

On March 21, 2021, a fire damaged the Pacific Electric Trail Bridge and the damaged bridge was closed to active transportation traffic. The closure of the bridge disrupts the regional connections of the Trail. A structural engineer investigated the magnitude and extent of the damage, declared the bridge a total loss, and recommended replacement. To remove the risks that left the existing bridge vulnerable to fire, the replacement will be a prefabricated steel truss bridge. A steel truss bridge provides the best combination of long-term value and affordability, while also recognizing the need for a speedy replacement of this vital piece of infrastructure. The use of a prefabricated bridge saves valuable time since its design has been preapproved by a state-licensed structural

engineer. Compared to a wooden structure, the construction of the steel truss bridge is completed at an accelerated pace, since it is delivered assembled and dropped into place.

The City of Montclair is a healthier and more equitable City due to safer and more connected roadways through the provision of active transportation options. SBCTA recognizes the value and importance of the PE trail. To that end, SBCTA has shown good faith and leadership by graciously offering to cover a percent of the cost, up to \$100,000, to replace the bridge through their TDA Grant Program. The City would cash flow the project and seek reimbursement from SBCTA at a future date.

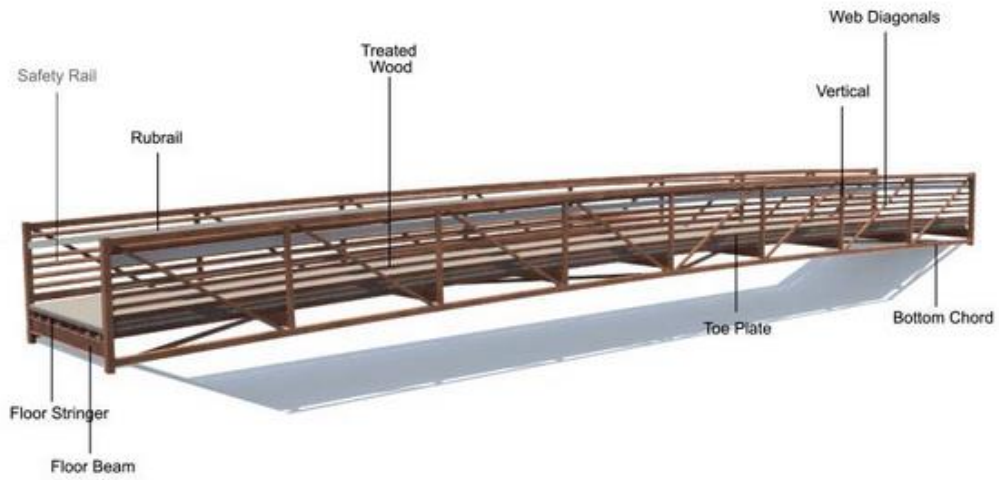
Currently PE Trail commuters are being detoured from the regional trail to Arrow Highway. To reduce the impact of the bridge closure, City staff will work diligently through the use of the emergency contracting procedures to hire various consultants and contractors to complete the bridge replacement. Agreements will be executed in the near future. Any necessary environmental permits and studies will be processed to clear the project through the California Environmental Quality Act (CEQA) and U.S. Army Corps permitting process. A structural Engineer consultant will be brought on to assist in determining what provisions and modifications must be made in order for the existing bridge substructure and foundations to accept the new bridge. In order to replace the bridge a contractor will need to be procured to remove the old fire damaged bridge. The same contractor will be utilized to put in placed the new prefabricated bridge after necessary modifications are made to the existing Bridge foundation.

FISCAL IMPACT: The City estimates the cost to remove and replace the bridge at \$500,000 and will be funded from the General Fund Reserve. The City is hopeful that SBCTA will allocate \$100,000 from TDA Grant Program to offset the costs associated with the bridge replacement.

RECOMMENDATION: Staff recommends that the City Council take the following actions in relation to the Pacific Electric Trail Bridge Replacement Project:

1. Adopt Resolution No. 21-3307 declaring the need for emergency contracting procedures for the Project.
2. Amend the Fiscal Year 2019-2024 Capital Improvement Program to add the Project.
3. Authorize a \$500,000 appropriation from the General Fund Reserve for the cost related to the Project.
4. Authorize the City Manager to execute any necessary agreements in relation to the Project.

Steel Truss Bridge



RESOLUTION NO. 21-3307

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTCLAIR DECLARING THE NEED FOR EMERGENCY
CONTRACTING PROCEDURES AND AUTHORIZING PE
TRAIL BRIDGE REPLACEMENT**

WHEREAS, Section 20160, et seq., of the California Public Contract Code defines the process to be used by cities in the acquisition of construction services for public projects; and

WHEREAS, Section 20162 of the California Public Contract Code requires construction contracts in excess of \$5,000 be advertised and awarded to the lowest responsible bidder; and

WHEREAS, Section 20168 of the California Public Contract Code allows the legislative body of a city, in the case of an emergency and by a four-fifths vote, to pass a resolution to forego customary bid procedures when it is determined that the public interest and necessity demand the immediate expenditure of public money to safeguard life, health, and/or property by taking any necessary steps to procure equipment, services, and supplies for those purposes; and

WHEREAS, upon adoption of the resolution, the agency may expend any sum required in the emergency, provided the agency complies with Chapter 2.5 (commencing with Section 22050) of the California Public Contract Code; and

WHEREAS, Section 22050 of the California Public Contract Code provides a contracting procedure to be used in the event of an emergency; and

WHEREAS, a recent fire caused the Pacific Electric Trail Bridge to be damaged beyond repair; and

WHEREAS, it is impractical to leave this vital multimodal corridor closed for extended periods of time while bid documents are prepared and advertised in accordance with Section 20160, et seq., of the California Public Contract Code; and

WHEREAS, said bridge can most effectively be replaced by contracting with one or more contractors for the required services.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair, in accordance with Sections 20168 and 22050 of the California Public Contract Code, does hereby make the following findings:

SECTION 1. The emergency will not permit a delay that would result from a competitive solicitation for bids and that the action is necessary to respond to the emergency; and

SECTION 2. Based on substantial evidence set forth by City staff, which testimony is hereby incorporated by reference, the public interest and necessity demand the immediate expenditure of public money to safeguard the health and safety of its employee's without the customary public bid procedures for such public improvements;

APPROVED AND ADOPTED this XX day of XX 2021.

Mayor Pro Tem

ATTEST:

City Clerk

I, Andrea M. Phillips, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 21-3307 was duly adopted by the City Council of said city and was approved by the Mayor Pro Tem of said city on the XX day of XX 2021, and that it was adopted by the following vote, to wit:

AYES: XX
NOES: XX
ABSENT: XX
ABSTAIN: XX

Andrea M. Phillips
City Clerk



CITY COUNCIL AGENDA REPORT

DATE:	APRIL 19, 2021	FILE I.D.:	STG200
SECTION:	CONSENT - RESOLUTIONS	DEPT.:	ADMIN. SVCS.
ITEM NO.:	2	PREPARER:	M. FUENTES
SUBJECT:	CONSIDER ADOPTION OF RESOLUTION NO. 21-3308 OPPOSING SENATE BILL 9 (ATKINS) - HOUSING DEVELOPMENT: APPROVALS		

REASON FOR CONSIDERATION: The State Legislature has recently introduced several bills related to housing and community and economic development that seek to remove the control granted to local governments under the Subdivision Map Act of 1972 related to zoning.

The City Council is requested to consider adoption of Resolution No. 21-3308 opposing Senate Bill (SB) 9 (Atkins) - Housing Development: Approvals. A copy of Resolution No. 21-3308 is attached for City Council review and consideration. A copy of SB 9 is also attached for reference.

BACKGROUND: In 2019, Governor Newsom signed five Senate and Assembly Bills into law regarding accessory dwelling units (ADUs), including junior ADUs:

- AB 68 (Ting) - Land Use: Accessory Dwelling Units
- AB 670 (Friedman) - Common Interest Developments: Accessory Dwelling Units
- AB 671 (Friedman) - Accessory Dwelling Units: Incentives
- AB 881 (Bloom) - Accessory Dwelling Units
- SB 13 (Wieckowski) - Accessory Dwelling Units

These bills address the housing crisis in the state by allowing for the development of additional residential units in areas zoned single-family residential.

The bills became effective January 1, 2021, and required cities to streamline the approval process of housing developments and ministerial approval of ADUs and Junior ADUs, removing local government control pertaining to ADUs and Junior ADUs. Under the new laws, individuals may have up to three dwelling units per single-family residential lot.

The State Legislature recently introduced several new housing and community development bills. One of the proposed bills, SB 9, seeks to remove control granted to local governments under the Subdivision Map Act of 1972. Senate Bill 9 requires local governments to approve, by ministerial means, a housing development containing two residential units (duplex) for lots zoned single-family residential, and to allow the splitting of lots in order to accommodate duplex units. In essence, SB 9 would convert the City's single-family residential zoning to a multi-family residential.

Senate Bill 9 would waive public notice and hearing requirements for property owners to add a unit to a single-family residential unit to create a duplex. It would also prohibit local governments from requiring:

- Discretionary review
- Dedications of rights-of-way
- Parking minimums for developments near transit stops and hubs
- More than one parking space per unit
- Certain Convents, Conditions, and Restrictions (CC&Rs)
- Environmental review

FISCAL IMPACT: Adoption of proposed Resolution No. 21-3308 simply takes an official City position on a proposed bill and would have no fiscal impact to the City.

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 21-3308 opposing Senate Bill 9 (Atkins) – Housing Development: Approvals.

RESOLUTION NO. 21-3305

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONTCLAIR OPPOSING SENATE BILL 9 (ATKINS) -
HOUSING DEVELOPMENT APPROVALS

WHEREAS, in recent years, California has experienced a growing need for housing and the State has enacted several laws that seek to address the need for more housing at the expense of local governments; and

WHEREAS, Senate Bill (SB) 9 Atkins would require ministerial consideration without any discretionary review, hearing, or California Environment Quality Act review for proposed housing developments with two residential units in parcels in single-family residential zones; and

WHEREAS, SB 9 would require cities to permit the development of a duplex or subdivision of a parcel into two equal parcels, prohibit cities from imposing dedications of rights-of-way, limit parking requirements to no more than one space per unit, and prohibit any parking requirements for developments within 1/2 mile of a major transit stop or stop on a high frequency bus line or within one block of a car share vehicle stop; and

WHEREAS, SB 9 would also undermine existing planning schedules, specific plans, and anticipated growth in the city, and virtually removes all authority by local elected officials, planning commissioners, and city planning staff; and

WHEREAS, SB 9 would not spur much needed housing construction in a manner that supports local flexibility, decision-making, and community input and State driven ministerial or by-right housing approval processes fail to recognize the extensive public engagement associated with developing and adopting zoning ordinances, housing elements, and general plans; and

WHEREAS, SB 9 imposes no requirement to build affordable units and continues a one-size-fits all approach to the housing crisis by eroding local control and the ability of residents to shape the future of their community.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair opposes SB 9 Atkins and urges the California State Legislature and the Governor of California to reject this bill and seek a collaborative approach to the housing crisis that allows local communities to be a part of the solution to the housing shortfall across all income levels without sacrificing local control.

BE IT FINALLY RESOLVED that this resolution shall become effective immediately upon passage and adoption.

APPROVED AND ADOPTED this XX day of XX, 2021.

Mayor

ATTEST:

City Clerk

I, Andrea M. Phillips, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 21-3308 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2021, and that it was adopted by the following vote, to-wit:

AYES: XX
NOES: XX
ABSTAIN: XX
ABSENT: XX

Andrea M. Phillips
City Clerk


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SB-9 Housing development: approvals. (2021-2022)

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Date Published: 04/05/2021 09:00 PM

AMENDED IN SENATE APRIL 05, 2021

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

SENATE BILL

NO. 9

Introduced by Senators Atkins, Caballero, Rubio, and Wiener
(Coauthors: Senators Gonzalez and McGuire)
(Coauthor: Assembly Member Robert Rivas)

December 07, 2020

An act to amend Section 66452.6 of, and to add Sections 65852.21 and 66411.7 to, the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 9, as amended, Atkins. Housing development: approvals.

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.

This bill, among other things, would require a proposed housing development containing *no more than* 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving the construction of 2 residential units, including, but not limited to, authorizing a city or county to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of up to ~~2 units~~, *units or physically precluding either of the 2 units from being at least 800 square feet in floor area*, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances.

The Subdivision Map Act vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification of those maps. Under the Subdivision Map Act, an approved or conditionally approved tentative map expires 24 months after its approval or conditional approval or after any additional period of time as prescribed by local ordinance, not to exceed an additional 12 months, except as provided.

This bill, among other things, would require a city or county to ministerially approve a parcel map or tentative and final map for an urban lot split that meets certain requirements, including, but not limited to, that the urban lot split would not require the demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the parcel is located within a residential zone, and that the parcel is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving an urban lot split, including, but not limited to, authorizing a city or county to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of ~~2-units~~ *units, as defined*, on either of the resulting ~~parcels~~ *parcels or physically precluding either of the 2 units from being at least 800 square feet in floor area*, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances. *The bill, until January 1, 2027, would prohibit a local agency from imposing an owner occupancy requirement on applicants unless specified conditions are met.*

The bill would also extend the limit on the additional period that may be provided by ordinance, as described above, from 12 months to 24 months and would make other conforming or nonsubstantive changes.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

This bill, by establishing the ministerial review processes described above, would thereby exempt the approval of projects subject to those processes from CEQA.

The California Coastal Act of 1976 provides for the planning and regulation of development, under a coastal development permit process, within the coastal zone, as defined, that shall be based on various coastal resources planning and management policies set forth in the act.

This bill would exempt a local government from being required to hold public hearings for coastal development permit applications for housing developments and urban lot splits pursuant to the above provisions.

By increasing the duties of local agencies with respect to land use regulations, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65852.21 is added to the Government Code, to read:

65852.21. (a) A proposed housing development containing *no more than* two residential units within a single-family residential zone shall be considered ministerially, without discretionary review or a hearing, if the proposed housing development meets all of the following requirements:

(1) The parcel subject to the proposed housing development is located within a city the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(3) Notwithstanding any provision of this section or any local law, the proposed housing development would not require demolition or alteration of any of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(C) Housing that has been occupied by a tenant in the last three years.

(4) The parcel subject to the proposed housing development is not a parcel on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(5) The proposed housing development does not allow the demolition of more than 25 percent of the existing exterior structural walls, unless the housing development meets at least one of the following conditions:

(A) If a local ordinance so allows.

(B) The site has not been occupied by a tenant in the last three years.

(6) The development is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

(b) (1) Notwithstanding any local law and except as provided in paragraph (2), a city or county may impose objective zoning standards, objective subdivision standards, and objective design review standards that do not conflict with this section.

(2) (A) The city or county shall not impose objective zoning standards, objective subdivision standards, and objective design standards that would have the effect of physically precluding the construction of up to two ~~units~~ *units or that would physically preclude either of the two units from being at least 800 square feet in floor area.*

(B) (i) Notwithstanding subparagraph (A), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(ii) Notwithstanding subparagraph (A), in all other circumstances not described in clause (i), a local government may require a setback of up to four feet from the side and rear lot lines.

(c) In addition to any conditions established in accordance with subdivision (b), a local agency may require any of the following conditions when considering an application for two residential units as provided for in this section:

(1) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(2) For residential units connected to an onsite wastewater treatment system, a percolation test completed within the last five years, or, if the percolation test has been recertified, within the last 10 years.

(d) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(e) Notwithstanding Section 65852.2, a local agency shall not be required to permit an accessory dwelling unit on parcels that use both the authority contained within this section and the authority contained in Section 66411.7.

(f) Notwithstanding subparagraph (B) of paragraph (2) of subdivision (b), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

(g) Local agencies shall include units constructed pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

(h) For purposes of this section, all of the following apply:

(1) A housing development contains two residential units if the development proposes *no more than* two new units or if it proposes to add one new unit to ~~an~~ *one* existing unit.

(2) The terms "objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(i) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(j) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for a housing development pursuant to this section.

SEC. 2. Section 66411.7 is added to the Government Code, to read:

66411.7. (a) Notwithstanding any other provision of this division and any local law, a city or county shall ministerially approve, as set forth in this section, a parcel map or tentative and final map for an urban lot split that meets all the following requirements:

(1) The parcel map or tentative and final map subdivides an existing parcel to create two new parcels of *approximately* equal ~~size~~ *lot area provided that one parcel shall not be smaller than 40 percent of the lot area of the original parcel proposed for subdivision.*

(2) (A) Except as provided in subparagraph (B), both newly created parcels are no smaller than 1,200 square feet.

(B) A local agency may by ordinance adopt a smaller minimum lot size subject to ministerial approval under this subdivision.

(3) The parcel being subdivided meets all the following requirements:

(A) The parcel is located within a residential zone.

(B) The parcel subject to the proposed urban lot split is located within a city the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(C) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(D) The proposed urban lot split would not require demolition or alteration of any of the following types of housing:

(i) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(ii) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(iii) A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(iv) Housing that has been occupied by a tenant in the last three years.

(E) The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

(F) The parcel has not been established through prior exercise of an urban lot split as provided for in this section.

(G) Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot split as provided for in this section.

(b) An application for an urban lot split shall be approved in accordance with the following requirements:

(1) A local agency shall approve or deny an application for an urban lot split ministerially without discretionary review.

(2) A local agency shall approve an urban lot split only if it conforms to all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)), except as otherwise expressly provided in this section.

(3) Notwithstanding Section 66411.1, a local agency shall not impose regulations that require dedications of rights-of-way or the construction of offsite improvements for the parcels being created as a condition of issuing a parcel map or tentative and final map for an urban lot split.

(c) (1) Except as provided in paragraph (2), notwithstanding any local law, a city or county may impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to a parcel created by an urban lot split that do not conflict with this section.

(2) A local agency shall not impose objective zoning standards, objective subdivision standards, and objective design review standards that would have the effect of physically precluding the construction of two units on either of the resulting ~~parcels~~ *parcels or that would result in a unit size of less than 800 square feet*.

(3) (A) Notwithstanding paragraph (2), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(B) Notwithstanding paragraph (2), in all other circumstances not described in subparagraph (A), a local government may require a setback of up to four feet from the side and rear lot lines.

(d) In addition to any conditions established in accordance with subdivision (c), a local agency may require any of the following conditions when considering an application for an urban lot split:

(1) Easements required for the provision of public services and facilities.

(2) A requirement that the parcels have access to, provide access to, or adjoin the public right-of-way.

(3) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(e) A local agency shall require that the uses allowed on a lot created by this section be limited to residential uses.

(f) (1) A local agency may impose an owner occupancy requirement on an applicant for an urban lot split that meets one of the following conditions:

(A) The applicant intends to occupy one of the housing units as their principal residence for a minimum of one year from the date of the approval of the urban lot split.

(B) The applicant is a "qualified nonprofit corporation." A "qualified nonprofit corporation" means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under either of the following:

(i) Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

(ii) Section 214.18 of the Revenue and Taxation Code for properties owned by a community land trust.

(2) A local agency shall not impose additional owner occupancy standards, other than provided for in this subdivision, on an urban lot split pursuant to this section.

(3) This subdivision shall become inoperative on January 1, 2027.

~~(f)~~

(g) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

~~(g)~~

(h) A local agency shall not require, as a condition for ministerial approval of a permit application for the creation of an urban lot split, the correction of nonconforming zoning conditions.

~~(h)~~

(i) (1) Notwithstanding any provision of Section 65852.2, Section 65852.21, Section 65852.22, Section 65915, or this section, a local agency shall not be required to permit ~~an accessory dwelling unit on parcels that use both more than two units on a parcel created through the exercise of the authority contained within this section and the authority contained in Section 65852.21.~~ section.

~~(i)~~

(2) For the purposes of this section, "unit" means any dwelling unit, including, but not limited to, a unit or units created pursuant to Section 65852.21, a primary dwelling, an accessory dwelling unit as defined in Section 65852.2, or a junior accessory dwelling unit as defined in Section 65852.22.

(j) Notwithstanding paragraph (3) of subdivision (c), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

~~(j)~~

(k) Local agencies shall include the number of applications for urban lot splits pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

~~(k)~~

(l) For purposes of this section, the terms "objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

~~(l)~~

(m) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(m)

(n) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for urban lot splits pursuant to this section.

SEC. 3. Section 66452.6 of the Government Code is amended to read:

66452.6. (a) (1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 24 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way that abut the boundary of the property to be subdivided and that are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 48 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. However, a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement. The number of phased final maps that may be filed shall be determined by the advisory agency at the time of the approval or conditional approval of the tentative map.

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

(3) "Public improvements," as used in this subdivision, include traffic controls, streets, roads, highways, freeways, bridges, overcrossings, street interchanges, flood control or storm drain facilities, sewer facilities, water facilities, and lighting facilities.

(b) (1) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include any period of time during which a development moratorium, imposed after approval of the tentative map, is in existence. However, the length of the moratorium shall not exceed five years.

(2) The length of time specified in paragraph (1) shall be extended for up to three years, but in no event beyond January 1, 1992, during the pendency of any lawsuit in which the subdivider asserts, and the local agency that approved or conditionally approved the tentative map denies, the existence or application of a development moratorium to the tentative map.

(3) Once a development moratorium is terminated, the map shall be valid for the same period of time as was left to run on the map at the time that the moratorium was imposed. However, if the remaining time is less than 120 days, the map shall be valid for 120 days following the termination of the moratorium.

(c) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include the period of time during which a lawsuit involving the approval or conditional approval of the tentative map is or was pending in a court of competent jurisdiction, if the stay of the time period is approved by the local agency pursuant to this section. After service of the initial petition or complaint in the lawsuit upon the local agency, the subdivider may apply to the local agency for a stay pursuant to the local agency's adopted procedures. Within 40 days after receiving the application, the local agency shall either stay the time period for up to five years or deny the requested stay. The local agency may, by ordinance, establish procedures for reviewing the requests, including, but not limited to, notice and hearing requirements, appeal procedures, and other administrative requirements.

(d) The expiration of the approved or conditionally approved tentative map shall terminate all proceedings and no final map or parcel map of all or any portion of the real property included within the tentative map shall be filed with the legislative body without first processing a new tentative map. Once a timely filing is made, subsequent actions of the local agency, including, but not limited to, processing, approving, and recording, may lawfully occur after the date of expiration of the tentative map. Delivery to the county surveyor or city engineer shall be deemed a timely filing for purposes of this section.

(e) Upon application of the subdivider filed before the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years. The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a). Before the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider's application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.

(f) For purposes of this section, a development moratorium includes a water or sewer moratorium, or a water and sewer moratorium, as well as other actions of public agencies that regulate land use, development, or the provision of services to the land, including the public agency with the authority to approve or conditionally approve the tentative map, which thereafter prevents, prohibits, or delays the approval of a final or parcel map. A development moratorium shall also be deemed to exist for purposes of this section for any period of time during which a condition imposed by the city or county could not be satisfied because of either of the following:

(1) The condition was one that, by its nature, necessitated action by the city or county, and the city or county either did not take the necessary action or by its own action or inaction was prevented or delayed in taking the necessary action before expiration of the tentative map.

(2) The condition necessitates acquisition of real property or any interest in real property from a public agency, other than the city or county that approved or conditionally approved the tentative map, and that other public agency fails or refuses to convey the property interest necessary to satisfy the condition. However, nothing in this subdivision shall be construed to require any public agency to convey any interest in real property owned by it. A development moratorium specified in this paragraph shall be deemed to have been imposed either on the date of approval or conditional approval of the tentative map, if evidence was included in the public record that the public agency that owns or controls the real property or any interest therein may refuse to convey that property or interest, or on the date that the public agency that owns or controls the real property or any interest therein receives an offer by the subdivider to purchase that property or interest for fair market value, whichever is later. A development moratorium specified in this paragraph shall extend the tentative map up to the maximum period as set forth in subdivision (b), but not later than January 1, 1992, so long as the public agency that owns or controls the real property or any interest therein fails or refuses to convey the necessary property interest, regardless of the reason for the failure or refusal, except that the development moratorium shall be deemed to terminate 60 days after the public agency has officially made, and communicated to the subdivider, a written offer or commitment binding on the agency to convey the necessary property interest for a fair market value, paid in a reasonable time and manner.

SEC. 4. The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 1 and 2 of this act adding Sections 65852.21 and 66411.7 to the Government Code and Section 3 of this act amending Section 66452.6 of the Government Code apply to all cities, including charter cities.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

**MINUTES OF THE REGULAR MEETING OF THE PUBLIC WORKS
COMMITTEE HELD ON THURSDAY, SEPTEMBER 17, 2020, AT 4:00 P.M.
HELD VIA ZOOM TELECONFERENCE**

I. CALL TO ORDER

Chair Raft called the meeting to order at 4:09 p.m.

II. ROLL CALL

Present: Mayor Pro Tem Raft (Chair); Council Member Johnson (Committee Member); City Manager Starr; Executive Director of Public Safety/Police Chief Avels; Public Works Director/City Engineer Castillo; Director of Community Development Diaz; Deputy Director of Economic and Community Development Caldwell

Absent: Public Works Superintendent Mendez; Senior Management Analyst Fuentes

III. APPROVAL OF MINUTES

The Committee approved the minutes of the August 20, 2020 meeting.

IV. PUBLIC COMMENT — None

V. PUBLIC WORKS DEPARTMENT UPDATES/ITEMS

A. OPERATIONS

1. MAINTENANCE ACTIVITIES

An Operations Activities Report for the past month was included with the agenda. No questions or concerns were raised.

2. ADDITIONAL ITEMS — None

B. FACILITIES

1. MAINTENANCE ACTIVITIES

A Facilities Report for the past month was included with the agenda. There were no questions or issues with the report.

2. ADDITIONAL ITEMS — None

C. ENGINEERING DIVISION ITEMS

1. 9015 HELENA AVENUE — DEED OVER PARKWAY AREA

Public Works Director/City Engineer Castillo stated the City is in the process of deeding over the parkway area to the resident of 9015 Helena Avenue. Staff continues to work on the item.

2. 9614 BENSON AVENUE — DEED OVER ACCESS TO SUNRISE PARK

Public Works Director/City Engineer Castillo reported staff continues to work on this item.

3. SUBMITTAL OF APPLICATION FOR MONTCLAIR SAFE ROUTES TO SCHOOL IMPLEMENTATION PROJECT

Public Works Director/City Engineer Castillo announced that a \$5 million grant application was submitted for multiple pedestrian and bicycle infrastructure improvements around three adjacent schools: Montclair High School, Montera Elementary, and Monte Vista Elementary along Monte Vista Avenue. The awards will be announced in February of 2021.

4. REMOVAL OF PARKING PERMIT PROGRAM ON PALO VERDE STREET AND BROOKS STREET

Public Works Director/City Engineer Castillo noted that a council item will be brought forth to remove the parking permit program from both referenced streets. City Manager Starr advised that the Palo Verde street Parking Program was implemented due to a request by one resident. Reluctantly, the Council agreed to create the program. The intent was to allow a few trucks to park, but over the years more and more trucks are parking and creating an eyesore and a safety concern.

Committee Member Johnson agrees that there are a lot of trucks and they are an eyesore. She asked where the trucks should be parked.

City Manager Starr responded that the trucks need to be parked off the street on private property.

VI. POLICE DEPARTMENT UPDATE/ITEMS — None

VII. COMMUNITY DEVELOPMENT DEPARTMENT PROJECT UPDATES/ITEMS

Director of Community Development Diaz announced that the Environmental Impact Report for the Montclair Place District Specific Plan will be brought to City Council on Monday, September 21, 2020. He also reported that the Cardenas market opening will take place in mid-October. New Cardenas signs are up on the building and monument signs will be installed on the surrounding streets. New tenants, including a national chain restaurant, are being sought to fill the auxiliary buildings on the site. The old Cardenas site will be demolished for future development.

VIII. CAPITAL PROJECT UPDATES

Public Works Director/City Engineer Castillo reported the status of the following capital improvement projects:

A. LOCAL PROJECTS

1. CENTRAL AVENUE UTILITY UNDERGROUND PROJECT

Permits were pulled to complete the undergrounding of utilities work. The project is expected to be completed in a couple of weeks.

2. HOLT BOULEVARD REHABILITATION PROJECT

The project consists of paving from Mills Avenue to Ramona Avenue as well as installing a dedicated left turn signal phase at the intersections. The project was awarded to the Contractor, Gentry Brothers, on August 17th. A construction kick-off meeting will take place before commencement of construction, which will move forward in a couple months.

3. STREET IMPROVEMENTS ON ARROW HWY AND FREMONT AVENUE

The design plans are now complete. Staff will coordinate with San Bernardino County Transportation Authority (SBCTA), which has a grant to implement some of the improvements. The City's coordination with SBCTA will help determine how to implement the plans and leverage the grant funds. SBCTA is improving Metrolink stations around various cities with their grant. SBCTA's design firm will be chosen in September, and will take about 6 months to complete the design.

4. REEDER RANCH PARK – START OF DESIGN PHASE

The City received a \$5 million dollar grant to design and construct a new park. A design contract was awarded to the design firm EPT. The design kick-off meeting is scheduled in the upcoming weeks.

B. REGIONAL PROJECTS

1. I-10 CORRIDOR PROJECT

Public Works Director/City Engineer Castillo stated that the project continues to move forward. Monte Vista Avenue will be reduced to one lane in mid-October to allow for bridge demolition and future Bridge widening. Benson Avenue will be reduced to one lane in each direction to allow for shoring installation and bridgework in mid-October. Monte Vista Avenue will be under construction for a two- to three-year duration. City staff has good rapport with the I-10 project team, and should be able to resolve any issues that arise quickly.

2. CHINO BASIN PROGRAM (IEUA)

The program meetings have reconvened. Many of the cities have questions and concerns about the project and its \$500 million dollar price tag and its financial value. IEUA staff is planning to look at other options. Further information and direction will be coming soon. The project is currently on hold.

3. CENTRAL AVENUE BRIDGE

The design continues to move forward. The Scope Change Request and accompanying Scoping Study Report were submitted to Caltrans Local Assistance. The package states our case to Caltrans that it makes more sense to replace the bridge instead of rehabilitating it. The Caltrans local office did not object to the approach, and the recommendation to replace the bridge will be submitted to Caltrans headquarters for approval. Once Caltrans is in agreement, the project can move into final design.

4. FOOTHILL GOLD LINE EXTENSION

City Manager Starr stated that he along with Senior Management Analyst Fuentes met with the City’s federal legislative advocate on September 16th to press the need for legislation to allow the segment from Pomona to Montclair to move forward without NEPA, presuming the project receives federal moneys. The project still needs \$570 million dollars, and if in the next congress period there is an opportunity to place an earmark for the project, the City would appreciate the necessary funding. Additionally, there is a need for a parking structure in north Montclair and the legislative advocate will start looking at potential funding sources for it along with funding for the Central Bridge Project needing around \$15 million dollars.

IX. COMMITTEE AND CITY MANAGER ITEMS — None

X. ADJOURNMENT

At 4:30 p.m., Chair Raft adjourned the meeting of the Public Works Committee. The next meeting of the Public Works Committee is scheduled to be held at 4:00 p.m. on Thursday, October 15, 2020.

Submitted for Public Works Committee approval,



Noel Castillo
Transcribing Secretary

**MINUTES OF THE REGULAR MEETING OF THE PUBLIC WORKS
COMMITTEE HELD ON THURSDAY, FEBRUARY 18, 2021, AT 4:00 P.M.
HELD VIA ZOOM TELECONFERENCE**

I. CALL TO ORDER

Chair Johnson called the meeting to order at 4:03 p.m.

II. ROLL CALL

Present: Council Member Johnson (Chair); Council Member Lopez (Committee Member); Public Works Director/City Engineer Castillo; City Manager Starr; Senior Management Analyst Fuentes; Executive Director of Public Safety/Police Chief Avels; Director of Community Development Diaz

Absent: Deputy Director of Economic and Community Development Caldwell

III. APPROVAL OF MINUTES

The Committee accepted the minutes of the September 17, 2020 meeting, as presented.

IV. PUBLIC COMMENT – None

V. PUBLIC WORKS DEPARTMENT UPDATES/ITEMS

A. OPERATIONS

1. MAINTENANCE ACTIVITIES

An Operations Activities Report for the past month was included with the agenda. No questions or concerns were raised.

2. ADDITIONAL ITEMS — None

B. FACILITIES

1. MAINTENANCE ACTIVITIES

A Facilities Report for the past month was included with the agenda. There were no questions or issues with the report.

2. ADDITIONAL ITEMS — None

C. ENGINEERING DIVISION ITEMS

1. Review of Ramona at Howard

Public Works Director/City Engineer Castillo provided historical background and context for the discussion. Additionally, Mr. Castillo provided

information on work done to enhance the intersection and the submitted grant application to install a roundabout.

Ms. Felicia Alcaez, resident, expressed her concerns. **Ms. Alcaez** is concerned with driver behavior and proposed that speed bumps be added to Ramona due to street configuration and speeds of drivers.

Public Works Director/City Engineer Castillo addressed **Ms. Alcaez's** concerns regarding stopping sight distance, with an explanation of the engineering calculation.

City Manager Starr asked for **Ms. Alcaez's** request for speed bumps to be further addressed. Mr. Castillo advised speed bumps cannot be installed on streets where the speed limit is higher than 25 mph. Ramona Avenue's speed limit is higher than 25 mph and cannot be adjusted down due to the federal requirements for the 85th-percentile method used for setting speed limits. Additionally, it was stated that traffic control devices must be warranted prior to installation through the Manual on Uniform Traffic Control Devices (MUCTD) process. Stop signs and traffic signals must meet specific warrant requirements before installation.

Committee Member Lopez requested Mr. Castillo share information from the Systemic Safety Analysis Report (SSAR) with respect to the intersection. Mr. Castillo provided the information that states that based on "hot spot analysis," the intersection is ranked 11 out of 18. Priority location, it is ranked 4 out of 10. Mr. Castillo made a distinction that the SSAR reviews intersections to identify corridors to address. Looking at intersections to address specific concerns would be a separate analysis.

Ms. Alcaez wanted information on how the city will keep residents apprised of any efforts to address concerns at that intersection. Mr. Castillo stated the Committee and City Council are part of the information tools utilized to keep residents apprised of any activities.

Ms. Evelyn Gonzalez, resident, wanted to know how long the City has been aware of issues at the intersection. Mr. Castillo stated the City addresses issues as they arise. The review of traffic concerns is an ongoing process. Additional concerns about the lack of stop signs and visibility of the stop signs were addressed. Mr. Castillo pointed out that a stop sign is in place for each lane. Information about the timeline for the Highway Safety Improvement Plan (HSIP) grant application was provided, noting the project award would be a two- to three-year process. Finally, Committee Chair Johnson and Mr. Castillo reiterated the City's commitment to be responsive to the residents' concerns through the goals set forth in the General Plan. Any additional enhancements will be installed as soon as the City can make it happen.

2. 9015 HELENA AVENUE — DEED OVER PARKWAY AREA

Public Works Director/City Engineer Castillo stated the City is in the process of deeding over the parkway area to the resident of 9015 Helena Avenue. Deeding the area to the adjacent property owner will relieve the City from the responsibility of maintaining an area that should be in the possession of the resident. Staff will move an item forward to council in March.

3. 9614 BENSON AVENUE — DEED OVER ACCESS TO SUNRISE PARK

The City is exploring the option of deeding the area to the adjacent property owner since the area will most likely not be used as an access point for the park. Prior to making a final decision, Mr. Castillo suggested a Parks Master Plan study be conducted to further analyze this issue.

4. SUBMITTED APPLICATION FOR MONTCLAIR SAFE ROUTES TO SCHOOL IMPLEMENTATION PROJECT

Public Works Director/City Engineer Castillo announced the City submitted a \$5 million grant application for multiple pedestrian and bicycle infrastructure improvements around three adjacent schools: Montclair High School, Montera Elementary, and Monte Vista Elementary along Monte Vista Avenue. The awards are expected to be announced in February/March of 2021.

5. SUBMITTED APPLICATION FOR HSIP GRANT FOR RAMONA AT HOWARD ROUNDABOUT

Public Works Director/City Engineer Castillo stated a grant application was submitted for the proposed roundabout. The grant application is for \$700,000 and announcement of awards is pending.

6. REMOVAL OF PARKING PERMIT PROGRAM ON PALO VERDE STREET AND BROOKS STREET

Public Works Director/City Engineer Castillo noted that a council item was moved forward at the last council meeting. Council asked for the item to be brought back to the Committee. The item will come back for further discussion in March.

VI. POLICE DEPARTMENT UPDATE/ITEMS

Executive Director of Public Safety/Police Chief Avels reported issues with parking violations at the Alexan Kendry Complex Magnolia to Cypress Street, including parking in front of fire hydrants, red zones, crosswalks and disabled-accessible access points. Numerous citations have been issued for the violations. The City is addressing the issues with the property management company. Chief Avels will speak with City Engineer Castillo about red curbs as an option to address the concerns and minimize police resources being used for enforcement.

Chief Avels reported that a resident submitted a request for a red curb at the 4600 block of Evert Street, which is currently under review.

Chief Avels provided an update on the reimplementation of parking enforcement related to street sweeping. The process has been challenging due to the number of violators. Total parking citations are back up to over 962 for the month of January, which include street sweeping violations. This number is near the average prior to the suspension of street sweeping parking enforcement. Chief Avels stated the cadets are doing a pretty good job and feels we are headed in the right direction.

Chair Johnson commended the cadets for all their hard work.

VII. COMMUNITY DEVELOPMENT DEPARTMENT PROJECT UPDATES/ITEMS

Director of Community Development Diaz reported staff is in the process of completing carryover projects from 2020. A new replacement carwash will be going in at 4384 Holt Boulevard. An existing self-serve carwash that has been there since the 1970s will be replaced with an automated carwash. The Village at Montclair project was approved. They have subsequently submitted their plans for plan check, and the developer is looking to get permits early spring/summer to get the project under construction.

Mr. Diaz provided an update on the General Plan Update. Currently, staff is reviewing draft documents to be presented to Council in the upcoming months.

VIII. CAPITAL PROJECT UPDATES

Public Works Director/City Engineer Castillo reported the status of the following capital improvement projects:

A. LOCAL PROJECTS

1. CENTRAL AVENUE UTILITY UNDERGROUND PROJECT

Permits were pulled to complete the undergrounding of utilities work. The project is expected to be completed in a couple of weeks.

2. HOLT BOULEVARD REHABILITATION PROJECT

The project consists of paving Holt Boulevard from Mills to Ramona Avenue, as well as installing a dedicated left turn signal phase at the intersection at Amherst Avenue. The Contractor is substantially completed. The signal modification was delayed due to a traffic accident, and damage to the traffic signal will need to be replaced before completing the project.

3. STREET IMPROVEMENTS ON ARROW HIGHWAY AND FREMONT AVENUE

The design plans for this project are now complete. The complete street improvements will make the streets pedestrian-friendly and improve the aesthetic value of the area.

4. REEDER RANCH PARK – START OF DESIGN PHASE

The City received a \$5 million grant to design and construct a new park on City-owned land adjacent to the Reeder property. A design contract was awarded to the design firm EPT. The design is progressing and will enter the final phase soon.

B. REGIONAL PROJECTS

1. I-10 CORRIDOR PROJECT

Public Works Director/City Engineer Castillo stated the project continues to move forward. Mr. Castillo noted a project update that was presented by SBCTA during a lunch Webinar earlier in the day during its committee meeting. This is a long duration project, and construction will take place

over a 3- to 4-year period. Specifically, the on-ramp at Monte Vista Avenue for eastbound I-10 traffic will be closed for the duration of the project.

2. CHINO BASIN PROGRAM (IEUA)

The Chino Basin Program meetings will reconvene soon. Many of the cities have questions and concerns about the project, its \$600 million price tag, and its financial value to the cities. IEUA staff is planning to look at other options. Further information and direction will be coming soon.

3. CENTRAL AVENUE BRIDGE

The design continues to move forward. The Scope Change Request and accompanying Scoping Study Report were submitted to Caltrans Local Assistance. The package states the City's case to Caltrans that it makes more sense to replace the bridge than rehabilitating it. The Caltrans local office did not object to the approach, and the recommendation to replace the bridge was submitted to Caltrans headquarters in September. Caltrans has not started reviewing the package. Staff will contact the Caltrans Local Office ambassador to try to push the project forward. Once Caltrans is in agreement, the project can move into final design. Staff will be seeking \$15-20 million in construction money to fully fund the overall project.

4. FOOTHILL GOLD LINE EXTENSION

City Manager Starr stated that progress on the extension from Glendora to Pomona is proceeding well and is ahead of schedule by at least 6 months. Completion of the extension may be accomplished in 2024. After testing of the system, operations may commence in 2025. If the Pomona to Montclair segment (the "Montclair segment") had been approved, the expected time of completion would have been 2028. The extended project completion duration would have been due to the added work to relocate the existing Metrolink tracks to make room for the Gold Line tracks that would parallel Metrolink tracks from Pomona to Montclair. The Montclair segment adds a considerable cost to the project. There is currently a \$570 million deficit to complete the segment. If the money is secured before October of 2022, it can be added to the existing contract. If it is not secured, the contractor may not agree to extend the contract. The Montclair segment would then need to go out for bid under a new contract and may require recertification of the environmental document. The financial deficit would be too great to find local money to close the gap, and most likely federal funds would need to be sought. When the project federalizes, it would have to comply with the National Environmental Policy Act (NEPA). Staff has asked **Congresswoman Torres** to introduce a bill to exclude major transit-related projects from needing to create a NEPA document before proceeding to construction, which could take years. The passing of the bill would expedite moving forward into the construction phase. It remains to be seen whether Congress would approve such a bill. Next Wednesday, the Mayor, Mayor Pro Tem, City Manager, Construction Authority CEO, City Engineer, and City Legislative Advocate will be in a Zoom meeting to discuss a path forward to secure federal funds for the Montclair segment. After this meeting, meetings will be expanded to

include representatives from the offices of **Congresswoman Torres, Senators Portantino, Holden, and Leyva;** and **Assemblymember Rodriguez.** Representatives from the cities of Claremont and Ontario will also be invited to participate in further discussion of the path forward as it relates to funding of the Montclair segment. Under federal requirements, in order to be competitive applicants need to provide local match of 50 percent. The inclusion of state legislators would assist in securing the 50 percent local match from state funds in the sum of \$285 million. Staff will keep track of President Biden's \$3.5 trillion infrastructure bill, as there is the potential for earmarks. If earmarks or other opportunities present themselves, staff will work on securing the necessary funds. Staff hopes to keep the segment to Montclair on track for completion in 2028.

IX. COMMITTEE AND CITY MANAGER ITEMS

City Engineer Castillo advised Public Works Superintendent Xavier Mendez retired.

The West Valley Connector Bus Project is moving forward into construction in July of 2022 with construction to be completed in 2024.

The San Antonio Creek Channel planning document is moving forward. The planning document will make the City more competitive as funding is sought for design and construction of the multimodal pedestrian trail.

Sunset Park has eight trees with insect infestations that must be removed. Staff will look into opportunities to replace the trees.

Southern California Edison (SCE) will be replacing 724 existing steel poles throughout the City with concrete poles. City staff, in partnership with SCE public relations staff, will make residents aware of the project.

X. ADJOURNMENT

At 5:18 p.m., Chair Johnson adjourned the meeting of the Public Works Committee. The next meeting of the Public Works Committee is scheduled to be held at 4:00 p.m. on Thursday, March 18, 2021.

Submitted for Public Works Committee approval,



Noel Castillo
Transcribing Secretary

**MINUTES OF THE MEETING OF THE MONTCLAIR
PERSONNEL COMMITTEE HELD ON MONDAY,
APRIL 5, 2021, AT 9:50 P.M. IN THE CITY
ADMINISTRATIVE OFFICES, 5111 BENITO STREET,
MONTCLAIR, CALIFORNIA, REMOTELY VIA ZOOM**

I. CALL TO ORDER

Mayor Pro Tem Ruh called the meeting to order at 9:50 p.m.

II. ROLL CALL

Present: Mayor Pro Tem Ruh, Council Member Johnson, and City Manager Starr

III. APPROVAL OF MINUTES

A. Minutes of the Regular Personnel Committee Meeting of March 15, 2021.

Moved by Council Member Johnson, seconded by Mayor Pro Tem Ruh, and carried unanimously to approve the minutes of the Personnel Committee meeting of March 15, 2021.

IV. PUBLIC COMMENT - None

V. CLOSED SESSION

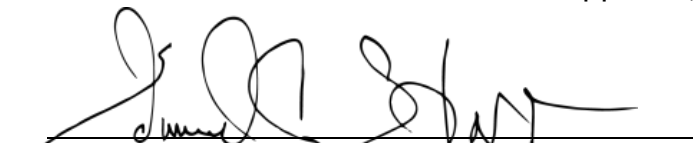
At 9:51 p.m., the Personnel Committee went into Closed Session regarding personnel matters related to appointments, resignations/terminations, and evaluations of employee performance.

At 10:04 p.m., the Personnel Committee returned from Closed Session. Mayor Pro Tem Ruh stated that no announcements would be made at this time.

VI. ADJOURNMENT

At 10:04 p.m., Mayor Pro Tem Ruh adjourned the Personnel Committee.

Submitted for Personnel Committee approval,



Edward C. Starr
City Manager

MINUTES OF THE REGULAR JOINT MEETING OF THE MONTCLAIR CITY COUNCIL, SUCCESSOR AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS, MONTCLAIR HOUSING AUTHORITY COMMISSION, AND MONTCLAIR COMMUNITY FOUNDATION BOARD HELD ON MONDAY, APRIL 5, 2021 AT 7:03 P.M. CONDUCTED REMOTELY PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDERS SUSPENDING CERTAIN ASPECTS OF THE BROWN ACT DURING THE COVID-19 STATE OF EMERGENCY AND MANDATING STAY-AT-HOME SAFETY PROTOCOLS

I. CALL TO ORDER

Mayor/Chair Dutrey participated via telephone and requested Mayor Pro Tem/Vice Chair Ruh preside over the meeting

Mayor Pro Tem/Vice Chair Ruh called the meeting to order at 7:03 p.m.

II. INVOCATION

The invocation was provided by **Elder Ray Ramirez, Montclair Christian Church.**

III. PLEDGE OF ALLEGIANCE

Council Member Lopez led meeting participants in the Pledge.

IV. ROLL CALL

Present: Mayor/Chair Dutrey; Mayor Pro Tem/Vice Chair Ruh; Council Members/Directors Johnson, Martinez, and Lopez

City Manager/Executive Director Starr; Director of Administrative Services and Human Resources Hamilton; Senior Management Analyst Fuentes; Executive Director of Public Safety/Police Chief Avels; City Attorney Robbins; City Clerk Phillips

V. PRESENTATIONS — None

VI. PUBLIC COMMENT

A. **Mr. Bruce Culp**, resident, congratulated **Mr. Xavier Mendez** on his retirement as Public Works Superintendent, and thanked him for his many years of dedicated service to the community.

VII. PUBLIC HEARINGS

A. **First Reading — Consider Ordinance No. 21-995 Amending Section 8.36.090 of the Montclair Municipal Code to Eliminate Commercial Truck Parking on Brooks Street and Palo Verde Street**

Consider Setting a Public Hearing to Consider Adoption of Ordinance No. 21-995 on Monday, March 1, 2021, at 7:00 p.m.

Mayor Pro Tem Ruh declared it the time and place for a public hearing related to Ordinance No. 21-995 and invited members of the audience to provide comments.

Mr. Tom Squyres, resident, reported his attendance at the Public Works Committee meeting where discussion of this item took place and felt it was not open to changing its recommendation. He stated his continued opposition to the Ordinance, described the impacts it would have on his business, and requested being permitted to continue parking his truck on Palo Verde Street occasionally.

Mr. Ruben Solis, resident, asked for clarification on which streets are affected and if it applies to street sweeping parking.

City Manager Starr advised this only applies to the segments of Palo Verde Street and Brooks Street that currently allow truck parking, as truck parking is already prohibited in all other areas of the City. He advised it is not related to street sweeping parking restrictions.

There being no one else in the audience wishing to speak and no written comments submitted in relation to this item, Mayor Pro Tem Ruh closed the public hearing and returned the matter to the City Council for consideration.

Council Member Johnson expressed her empathy for **Mr. Squyres** suddenly losing the ability to park his work vehicle outside his home, which he has enjoyed for several years; however, she also understands first-hand how residents along the affected streets feel related to the change of appearance and character of the community, noting she has a neighbor who parks an unsightly work truck in their driveway.

Council Member Lopez stated his inability to support an exemption for one person, which would show favoritism and could open the City to liability. He stated the parking program has resulted in a proliferation of trucks illegally parking on the street and needs to end.

Moved by Mayor Dutrey, seconded by Council Member Johnson, and carried that Ordinance No. 21-995 be read by number and title only, further reading be waived, and this be declared its first reading; and that the City Council set a public hearing for Monday, April 19, 2021, at 7:00 p.m. to consider second reading and adoption of Ordinance No. 21-995.

First reading of Ordinance No. 21-995 was approved, and public hearing for second reading was set for April 19, 2021, at 7:00 p.m., by the following roll call vote:

AYES:	Lopez, Martinez, Johnson, Ruh, Dutrey
NOES:	None
ABSTAIN:	None
ABSENT:	None

B. Second Reading — Consider Adoption of Ordinance No. 21-997 Amending Section 2.12.020 of the Montclair Municipal Code Related to Campaign Contribution Limits in Accordance with Assembly Bill 571

Mayor Pro Tem Ruh declared it the time and place for a public hearing related to Ordinance No. 21-997 and invited members of the audience to provide comments.

Mr. Culp expressed his continued opposition to campaign contributions, equating them to bribes. He dismissed the argument that they are a form of free speech, noting they are paid speech and that those with money have a louder voice than those who do not. He proposed that limits be set at \$5.00 per contributor.

Mr. Thuan Nguyen, resident, supported a policy limiting campaign contributions to reduce the influence of non-residents and outside interests on local elections.

There being no one else in the audience wishing to speak and no written comments submitted in relation to this item, Mayor Pro Tem Ruh closed the public hearing and returned the matter to the City Council for consideration.

Council Member Lopez maintained his support for the Ordinance— noting all contributions of \$100 or more are disclosed—as well as his belief that financial aid to candidates is a form of free speech. He also reiterated his opposition to the state’s attempt to control local elections and put a cap on campaign contributions.

Council Member Martinez stated her understanding that the City maintains the authority to decide what the limit is, which could be higher than the state’s limit; and that by adopting the state’s limits, the **Fair Political Practices Commission (FPPC)** would be responsible for enforcement rather than the City.

Council Member Lopez expressed his concern that the **FPPC** could still potentially bill the City for enforcement, noting the text of

AB 571 alludes to that possibility.

Mayor Pro Tem Ruh noted his observation that before AB 571, several cities across the state adopted low campaign contribution limits, and the result has been that those with excessive personal funds are able to outspend the less well-off candidates due to there being no limit on the use of personal funds for political campaigns. He noted there is also an increase in the number of Political Action Committees, which make independent expenditures to support or oppose candidates.

Moved by Mayor Dutrey, seconded by Council Member Lopez, and carried that Ordinance No. 21-997 be read by number and title only, further reading be waived, and that the City Council adopt Ordinance No. 21-997.

Ordinance No. 21-997 was adopted 4-1 by the following roll call vote:

AYES:	Lopez, Johnson, Ruh, Dutrey
NOES:	Martinez
ABSTAIN:	None
ABSENT:	None

VIII. CONSENT CALENDAR

Council Member Johnson requested clarifications on Item B-1. Mayor Pro Tem Ruh stated public comments will be received on Item D-1. Council Member Lopez requested clarifications on Item D-2.

Moved by Council Member/Director Lopez, seconded by Mayor Pro Tem/Vice Chair Ruh, and carried 5-0 by roll call vote, the City Council approved the Consent Calendar as presented with comments and discussion on Items B-1, D-1, and D-2:

A. Approval of Minutes

1. Regular Joint Meeting — March 15, 2021

The City Council, Successor Agency Board of Directors, Montclair Housing Corporation Board of Directors, Montclair Housing Authority Commissioners, and Montclair Community Foundation Board of Directors approved the minutes of the March 15, 2021 regular joint meeting.

B. Administrative Reports

1. Authorizing the City Manager to Execute a Conflict Waiver Providing that Best Best & Krieger May Represent the City of Montclair on Various Special Counsel Matters, Including a Legal Matter Involving the City of Upland Basin Dam, While Concurrently Representing the City of Upland on Various Matters as Upland City Attorney Excluding the Upland Basin Dam Matter

Council Member Johnson asked if the same attorney from **Best Best & Krieger** represents both Upland and Montclair.

City Manager Starr advised there is one dedicated attorney from **Best Best & Krieger** assigned as Upland's City Attorney, and that attorney has no involvement with Montclair's legal matters.

The City Council authorized the City Manager to execute a Conflict Waiver providing that **Best Best & Krieger** may represent the City of Montclair on various Special Counsel matters, including a legal matter involving the City of Upland Basin Dam, while concurrently representing the City of Upland on various matters as Upland City Attorney excluding the Upland Basin Dam matter.

2. Authorizing the City Manager to Execute a Conflict Waiver Providing that Best Best & Krieger May Represent the City of Montclair on Various Special Counsel Matters While

Concurrently Representing the Local Agency Formation Commission (LAFCO) for San Bernardino County as General Counsel on a Variety of Legal Matters Including Representation of LAFCO on a Matter Involving an Application by the Monte Vista Water District on Activation of Wastewater Collection and Transmission Services That, Due to Overlapping Territory, May Involve the City of Montclair

The City Council authorized the City Manager to execute a Conflict Waiver providing that **Best Best & Krieger** may represent the City of Montclair on various Special Counsel matters while concurrently representing the **Local Agency Formation Commission (LAFCO)** for San Bernardino County as General Counsel on a variety of legal matters including representation of **LAFCO** on a matter involving an application by the **Monte Vista Water District** on activation of wastewater collection and transmission services that, due to overlapping territory, may involve the City of Montclair.

3. Approval of City Warrant Register and Payroll Documentation

The City Council approved the City Warrant Register dated April 5, 2021, totaling \$1,328,890.29; and the Payroll Documentation dated February 28, 2021, amounting to \$571,214.59 gross, with \$395,633.92 net being the total cash disbursement.

C. Agreements

1. Approval of Agreement No. 21-16 with David Turch and Associates for Federal Legislative Advocacy and Consulting Services

The City Council approved *Agreement No. 21-16* with **David Turch and Associates** for Federal Legislative Advocacy and Consulting Services.

2. Approval of Agreement No. 21-17 with the Retail Drinking Water, Wastewater Collection, and Recycled Water Collection Service Providers within the Inland Empire Utilities Agency Service Area for the Wastewater and Recycled Water Regulatory Compliance Review Project

Authorizing a \$3,345 Appropriation from the Contingency Fund for Agreement No. 21-17

The City Council took the following actions:

- (a) Approved *Agreement No. 21-17* with the retail drinking water, wastewater collection, and recycled water collection service providers within the **Inland Empire Utilities Agency** Service Area for the Wastewater and Recycled Water Regulatory Compliance Review Project.
- (b) Authorized a \$3,345 appropriation from the Contingency Fund for *Agreement No. 21-17*.

3. Approval of Agreement No. 21-18 with Fehr & Peers for the Preparation of a Local Roads Safety Plan

Authorizing a \$4,339 Appropriation from the Gas Tax Fund to Cover the 10 Percent Local Match Required in Addition to the \$40,000 Grant Award Received from the State to Fund the Agreement

The City Council took the following actions:

- (a) Approved *Agreement No. 21-18* with **Fehr & Peers** for the preparation of a Local Roads Safety Plan.
- (b) Authorized a \$4,339 appropriation from the Gas Tax Fund to cover the 10 percent local match required in addition to the \$40,000 grant award received from the State to fund the Agreement.

4. **Approval of Agreement No. 21-19-I-104 Amending Agreement No. 20-06-I-104, an Irrevocable Annexation Agreement with Mission 42 LLC for a Multi-Unit Residential Development Project at 5553 West Mission Boulevard, Ontario (APN 1011-351-02-0000)**

The City Council approved *Agreement No. 21-19-I-104* amending *Agreement No. 20-06-I-104*, an Irrevocable Annexation Agreement with **Mission 42 LLC** for a multi-unit residential development project at 5553 West Mission Boulevard, Ontario (APN 1011-351-02-0000).

D. Resolutions

1. **Adoption of Resolution No. 21-3305 Denouncing Racism, Xenophobia, Violence, and Intolerance Against Members of the Asian American and Pacific Islander Communities in the United States, and Affirming the City of Montclair's Commitment to the Well-Being and Safety of Residents Regardless of Race, Religion, National Origin, Disability, Sex, Gender Expression, Age, Sexual Orientation, or Military/Veteran Status**

Mrs. Carolyn Raft, former Council Member and resident, stated it is a shame cities have to resort to this and that discrimination has no place in this society. She emphasized elected Council Members should represent all community members equally.

Mr. Nguyen stated his appreciation for the resolution as it is written, and urged intentional action to combat racism and discrimination.

Mr. Culp echoed his support for the resolution.

All five members of the City Council provided comments in support of the resolution and against discrimination.

The City Council adopted Resolution No. 21-3305 denouncing racism, xenophobia, violence, and intolerance against members of the Asian American and Pacific Islander communities in the United States, and affirming the City of Montclair's commitment to the well-being and safety of residents regardless of race, religion, national origin, disability, sex, gender expression, age, sexual orientation, or military/veteran status.

2. **Adoption of Resolution No. 21-3306 Continuing to Declare that a Local Public Health Emergency Exists in the City of Montclair, Updating Provisions of the Declaration in Relation to COVID-19 Paid Leave and Provision of Employee Vaccination Incentives, and Continuing to Establish City Eligibility for Federal and State Funding Assistance**

Council Member Lopez requested clarification about the modified COVID-related leave provision, such as whether the leave would be provided for repeat COVID infections with the new strains, and asked if employees who choose not to be vaccinated would be penalized.

City Manager Starr advised the City had originally continued the 120 hour provision of COVID-related leave from January 1 forward, which was when federal provision had expired; however, the state has recently adopted the standard provision of 80 hours. He advised employees would be encouraged and may be offered an incentive to get vaccinated, but those who choose to not get vaccinated would not be penalized.

Director of Administrative Services and Human Resources Hamilton added that the state legislation expires in September and will likely be extended, so the City would follow the state's guidance going forward to avoid having to constantly seek Council authority for each of those changes. He advised the leave is cumulative for the year and that employees would have

80 hours total to cover qualifying COVID-related absences, in addition to other accrued paid leave that is available.

Mayor Dutrey stated he feels 80 hours provided by law for COVID-related absences is sufficient and that regular sick and vacation paid leave is also available. He noted with the reduced number of cases and availability of vaccines, he is comfortable with the reduced provision of COVID-related leave.

The City Council adopted Resolution No. 21-3306 continuing to declare that a local public health emergency exists in the City of Montclair, updating provisions of the declaration in relation to COVID-19 paid leave and provision of employee vaccination incentives, and continuing to establish City eligibility for Federal and State funding assistance.

IX. PULLED CONSENT CALENDAR ITEMS — None

X. RESPONSE

A. Consider Receiving and Filing the Response to Council Inquiry Regarding the Reopening of City Facilities

Consider Taking One of the Following Actions:

Adopt City Facilities Reopening Protocols and Practices as Provided For Herein and in Compliance with the City Facilities Reopening, Health and Safety Plan; or

As Requested by President Biden, Delay the Reopening of City Facilities to Thursday, April 29, 2021, or the Day After the Nation Achieves the Biden-Harris Administration's Objective to Fully Vaccinate 200 Million Americans

Mr. Culp cautioned against relaxing restrictions too early with the new, more transmissible and vaccine-resistant strains circulating. He requested the maintenance of current restrictions for a few more weeks, until the threat of a fourth wave has passed.

Mayor Dutrey expressed his belief that it is time to open the parks now that other recreational facilities such as **Dodger** and **Angels Stadiums** and **Disneyland** are reopening. With outdoor activities having proven safer than indoor, he feels the continuation of mask-wearing should be sufficient protection.

Council member Lopez asked why the drinking of water is prohibited in the skate park and asked if an exception could be made.

City Manager Starr advised all food and beverage containers have been prohibited in the skate park since before the pandemic due to excessive littering, and that those using the skate park can keep their drinks in their bags and briefly exit the gate of the skate park to drink.

Council Member Lopez stated his opposition to the procedure of requiring written requests to speak in-person at Council Meetings, noting he does not believe it is legal to require a written request to participate in a public meeting.

City Manager Starr advised that while optional, written requests to speak has been the practice of the City for in-person meetings, and that it should continue to reduce exposure, but that it would be up to the presiding officer of the meeting to make exceptions as always.

Should parks reopen tomorrow, Council Member Martinez implored caregivers who take children to the parks sanitize their hands before and after use of play equipment, and ensure they wear masks.

Mayor Pro Tem Ruh concurred that the wearing of masks is important even after everything opens for the safety of everyone.

Moved by Mayor Dutrey, seconded by Council Member Lopez, and carried unanimously by a 5-0 roll call vote, the City Council took the following actions:

- (a) Received and filed the response to Council inquiry regarding the reopening of City facilities.
- (b) Adopted City facilities reopening protocols and practices as provided for herein and in compliance with the City Facilities Reopening, Health and Safety Plan.

XI. COUNCIL WORKSHOP

A. Presentation on Potential Pension and Infrastructure Bonds

City Clerk Phillips advised the tentative date of April 19 is no longer a possibility, and requested the City Council consider staff's proposal to hold the workshop on April 20 or April 22, at 6:00 p.m.

The City Council discussed and determined its availability to hold the workshop on Tuesday, April 20, 2021, at 6:00 p.m.

XII. COMMUNICATIONS

A. Department Reports — None

B. City Attorney

City Attorney Robbins requested the City Council meet in closed session for conference with legal counsel regarding the following matter:

1. Closed Session Pursuant to Government Code Section 54956.9(d)(4) Regarding Potential Litigation

Montclair v. Monte Vista Water District

C. City Manager/Executive Director — None

D. City Council/Successor Agency Board/MHC Board/MHA Board/MCF Board

1. Mayor Pro Tem/Vice Chair Ruh made the following comments:

- (a) He announced there are two vacancies on the Planning Commission and three vacancies on the Community Activities Commission, and encouraged residents to apply at www.cityofmontclair.org.
- (b) He shared an idea he intends to discuss further with staff to seek input from local businesses of their manufacturing needs and entice such manufacturing businesses to move their operations to Montclair. He would propose to name the program "Made in Montclair."
- (c) He commended the Public Works Department for obtaining funding to construct the roundabout at the intersection of Ramona Avenue and Howard Street, noting it will significantly slow traffic in the area. He cautioned that, while decreasing the number of serious accidents, it may increase the occurrence of minor rear-end collisions.
- (d) He thanked the CAC, **Kiwanis**, City Council volunteers, and staff for the successful *Drive-Thru Easter Eggstravaganza and To-Go Pancake Breakfast* event, noting the live bunnies were a huge hit.
- (e) He expressed his sadness to hear about another senseless attack on Capitol Police at the Nation's Capital on April 3rd.
- (f) He encouraged the public to get inoculated with the increasing availability of vaccines and appointments.
- (g) He advised the **AMC Theater** is now open and encouraged everyone to go see a movie, noting there is limited seating and other safety features in place.
- (h) He congratulated retired Public Works Superintendent **Xavier Mendez**, thanked him for his service, and wished him well.

- (i) He announced **Ontario-Montclair School District** has recently implemented a Mandarin immersion program.
 - (j) He noted the passing of beloved author **Beverly Cleary** at age 104, who grew up in the area, attended **Chaffey College**, and worked at the **Ontario Library**.
 - (k) He extended condolences to **City of Upland** Council Member **Carlos Garcia** for the passing of his sister.
 - (l) He reported the tragic passing of **City of Chino** Council Member **Mark Hargrove** after a heroic battle with cancer. He noted **Mr. Hargrove** was a 1982 graduate of **Chino High School**, served in the **U.S. Air Force** from 1983 to 1987, and worked a career in the **California Department of Corrections**; he served on the Chino Planning Commission before being elected to the City Council in 2018. He noted **Mr. Hargrove** cared deeply for his community and served his constituents well. He advised tonight's meeting would be adjourned in his memory.
2. Council Member/Director Johnson made the following comments:
- (a) She noted her astonishment with how staff was able to transform a parking lot into something magical.
 - (b) She advised the **Federal Emergency Management Agency (FEMA)** is offering grants of up to \$9,000 to reimburse those who had funeral expenses in 2020 for loved ones who passed away from COVID-19. She noted the phone number is on the **FEMA** website, and applicants must call to be guided through the process as there is no online application.
3. Council Member/Director Martinez made the following comments:
- (a) She noted her enchantment with the butterfly dancers at the *Easter Eggstravaganza* event, and her appreciation of the City for putting on such great community events.
 - (b) She requested the City create events on social media rather than only posting flyers so that residents can get automatic social media reminders about upcoming events, and can share the events and invite others to attend.
4. Council Member/Director Lopez made the following comments:
- (a) He thanked Fire Department staff for their involvement with the *Easter Eggstravaganza* event, and all others who helped with the event, noting one Community Activities Commissioner showed up to help even with a broken arm.
 - (b) He thanked Public Works for covering up graffiti from the infamous "TREE" tagger, who the Police Department recently apprehended.
 - (c) He commended the Police Department for the recent arrest of a graffiti vandal and a child sexual predator.
 - (d) He noted his participation in a fundraiser at **Los Portales** for **Buena Vista Arts Integrated School**.
 - (e) He commended Public Works Director/City Engineer Castillo for writing the grant that secured funding for the roundabout at Ramona and Howard.
 - (f) He expressed his sadness upon hearing of the passing of **Council Member Hargrove**, noting he was a friend and was diagnosed with colon cancer not long after his election to the City Council in 2018, yet continued to attend all of his meetings while fighting for his life. He extended his condolences to the City of Chino and its City Council, the Chino community, and **Mr. Hargrove's** family.

- (g) He advised Planning Commissioner Emeritus **Donald Vodvarka's** memorial services will be occurring soon and he will share the information when he knows more.
- (h) He thanked retired Public Works Superintendent **Xavier Mendez** for his many years of service to the City.
- (i) He advised there will be two lane closures on the eastbound I-10 Freeway between Monte Vista Avenue and Central Avenue from Friday, April 9th at 9:00 p.m. through Monday, April 12th at 5:00 a.m.
- (j) He advised the **City of Ontario** has requested Montclair consider joining them in declaring formal opposition to California Senate Bill 9, which limits local government's authority to regulate housing classifications. He requested the City Council consider a resolution at its next meeting.
- (k) He thanked Executive Director of Public Safety/Police Chief Avels for addressing the request about a shower drain clogging issue at the fire station, and noted the Public Works Department will be including a budget item for the appropriate repairs.

E. Mayor/Chair

- 1. Mayor/Chair Dutrey made the following comments:
 - (a) He advised he will be absent at the April 19th meeting.
 - (b) He expressed the importance of vaccinating as many people as possible, noting there are plenty of appointments available at **San Bernardino County** vaccination sites. He advised the public can visit www.SBCovid19.com to find appointments.

F. Committee Meeting Minutes

1. Minutes of Personnel Committee Meeting of March 15, 2021

The City Council received and filed the minutes of the Personnel Committee meeting of March 15, 2021, for informational purposes.

XIII. CLOSED SESSION

At 9:18 p.m., the City Council went into closed session to discuss potential litigation.

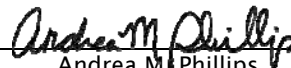
XIV. CLOSED SESSION ANNOUNCEMENTS

At 9:46 p.m., the City Council returned from closed session. Mayor Pro Tem Ruh announced that information was received related to potential litigation, direction was given to staff, and no further announcements would be made at this time.

XV. ADJOURNMENT

At 9:46 p.m., Mayor Pro Tem/Vice Chair Ruh adjourned the City Council, Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board in memory of Chino City Council Member **Mark Hargrove**.

Submitted for City Council/Successor Agency Board/Montclair Housing Corporation Board/Montclair Housing Authority Commission/Montclair Community Foundation Board approval,


 Andrea M. Phillips
 City Clerk

CITY OF MONTCLAIR

TREASURER'S REPORT

FOR THE MONTH ENDING

MARCH 31, 2021

TABLE OF CONTENTS

SCHEDULE 1

STATEMENTS OF COMPLIANCE WITH INVESTMENT POLICY AND INVESTMENT STRATEGY FOR MARCH 31, 2021

SCHEDULE 2

STATEMENT OF CASH AND INVESTMENTS BY FUND

SCHEDULE 3

STATEMENT OF CASH AND INVESTMENT ACCOUNTS

GRAPH

CASH AND INVESTMENTS BY TYPE

**CITY OF MONTCLAIR
STATEMENTS OF COMPLIANCE WITH THE INVESTMENT POLICY
AND INVESTMENT STRATEGY**

MARCH 31, 2021

COMPLIANCE STATEMENT

The City has the following amount invested in various financial instruments. This conforms with the investment policy approved by the City Council.

Total Investments

\$ 32,725,697

During the current month the City was in compliance with the internal control procedures set forth in the Investment Policy.

INVESTMENT STRATEGY FOR THE UPCOMING MONTH

During the upcoming month, surplus moneys will be invested in the Local Agency Investment Fund and other investments authorized in the Investment Policy. The City has sufficient monies available to meet expenditures during the next six month period.

CITY OF MONTCLAIR
STATEMENT OF CASH AND INVESTMENTS BY FUND
AS OF MARCH 31, 2021

Fund	Beginning Balance	Receipts	Disbursements	Interfund Transfers	Ending Balance
General Fund	\$ (2,777,675.41)	\$ 1,752,720.91	\$ 1,724,474.39	\$ 108.74	\$ (2,749,320.15) (1)
Gas Tax Fund	(281,339.86)	129,001.27	86,956.67	-	(239,287.26) (2)
Road Maintenance - Section 2032	1,400,173.48	52,910.53	-	-	1,453,084.01
Measure 1 Fund	3,212,272.13	61,570.72	-	-	3,273,842.85
Traffic Safety	75,122.16	4,576.88	-	-	79,699.04
Disability Access Fund - Bus. License	33,694.40	966.00	-	-	34,660.40
Park Maintenance	88,223.62	2,962.40	4,591.22	-	86,594.80
Park Development	1,800,207.06	-	-	-	1,800,207.06
CDBG	(72,258.51)	4,514.80	-	-	(67,743.71) (2)
May Bdgt Revise Cares Act Dist	(86,950.00)	86,950.00	-	-	-
SB2 Planning Grant	173,932.51	12,034.61	-	-	185,967.12 (2)
Air Quality Improvement Trust	-	-	-	-	-
SB City Cares Act Relief Fund	(703,158.45)	-	28,683.46	-	(731,841.91) (2)
SB City Cares Act Infrastructure	(82,512.19)	15,001.06	19,208.59	-	(86,719.72) (2)
Senior Nutrition Program	117,320.69	542.17	-	-	117,862.86
Forfeiture Fund - State	130,232.78	2,769.25	-	-	127,463.53
Proposition 30/SB 109	262,126.04	29,723.02	-	-	273,758.02
SB 509 Public Safety	403,480.52	41,355.00	1,000.00	-	402,480.52
Forfeiture Fund-Federal/DOJ	-	0.02	-	-	6,775.05
Asset Seizure Fund	6,775.03	-	-	-	45,103.92
Section 11489 Subfund	45,008.24	95.68	-	-	87,679.14
Fed Asset Forfeiture-Treasury	87,679.14	-	-	-	105,300.00
School District Grant Fund	445,310.79	105,300.00	-	-	447,813.52
School Supplemental Law Enforce	-	2,502.73	-	-	-
Local Law Enforcement Block Gr	-	-	-	-	-
PC 1202.5 Crime Prevention	2,049.32	14.06	-	-	2,063.38
Recycling Grant Fund	65,685.00	-	-	-	65,685.00
Homeless Emergency Aid Program	(21,923.91)	29,480.00	8,028.88	-	(472.79) (2)
Bureau of Justice Assistance	(36,863.89)	-	-	-	(36,863.89) (2)
Expanded Learning Program Fund	116,266.95	252,707.78	66,840.68	-	302,134.05
OTS Grant	8,540.54	-	-	-	8,540.54
FIRST 5 Fund	1,590.20	299.42	-	-	1,290.78
Safety Dept. Grants	20,060.55	90,909.09	65,153.66	-	45,835.98
OSMD Immunization Grant	1,144.82	-	901.77	-	243.05
Mt Baldy United Way	-	-	-	-	-
Kaiser Permanente Grant	5,089.08	-	-	-	5,089.08
Resource Center Grant - OMSD	(4,144.48)	28,500.00	349.29	-	24,006.23 (2)
Title IIIb Sr Support Services	15,913.76	-	18,573.19	-	(2,659.43) (2)
Healthy Community Strategic Plan	18,027.78	-	-	-	18,027.78
Kindergarten ExLP	-	-	-	-	-
ExLP Supplemental Grant	59,923.40	23,969.36	-	-	83,892.76
Hope Through Housing Grant	-	-	-	-	-
E.M.S. - Paramedic Fund	(21,449.45)	4,693.90	5,275.62	-	(22,031.17) (3)
Economic Development	5,529,384.81	-	36,828.34	-	5,492,556.47
City Contributions/Donations Fund	500.00	-	-	-	500.00
Sewer Operating Fund	1,446,282.89	591,972.59	363,665.17	(108.74)	1,674,461.57
Sewer Replacement Fund	2,107,340.14	-	-	-	2,107,340.14
CFD 2011-1 (Passes)	147,465.92	22,865.19	2,295.24	-	168,055.87
CFD 2011-2 (Arrow Station)	107,453.33	1,131.01	250.00	-	108,334.34
Inland Empire Utility Agency	3,163,890.78	18,284.00	-	-	3,182,174.78
Sewer Expansion Fee Fund	590,867.66	1,829.71	-	-	592,697.37
Developer Impact Fees - Local	1,108,173.33	-	-	-	1,108,173.33
Developer Impact Fees - Regional	91,448.34	-	-	-	91,448.34
Burtec Pavement Impact Fees	214,220.28	-	-	-	214,220.28
PUC Reimbursement Fund-MVGS	1,689,981.14	-	-	-	1,689,981.14
Utility Underground In-Lieu	340,516.52	-	-	-	340,516.52
General Plan Update Fee	83,637.25	1,005.97	-	-	84,643.22
Housing Fund	555,326.51	-	-	-	555,326.51
Public Education/Govt. PEG Fee Fund	32,178.37	-	-	-	32,178.37
Infrastructure Fund	(2,245,362.27)	-	73,417.02	-	(2,318,779.29) (4)
COVID-19	(230,784.55)	-	9,111.03	-	(239,895.58)
Successor Agency Bonds-Taxable	4,783,964.21	-	-	-	4,783,964.21
Successor Agency Bonds-Tax Exempt	8,289,314.13	-	27,806.00	-	8,261,508.13
2014 Lease Revenue Bond Proceeds	(563,585.78)	3,742.20	-	-	(559,843.58)
2014 Lease Revenue Bond Debt Svc	201,656.22	153,206.68	841,818.75	-	(486,955.85) (5)
Contingency Fund	233,836.96	-	-	-	233,836.96 (1)
Assigned General Fund Reserves	9,457,070.87	-	-	-	9,457,070.87 (1)
TOTALS	\$ 41,642,370.90	\$ 3,497,356.32	\$ 3,418,042.66	\$ -	\$ 41,721,684.56

Negative Cash Notes follow this presentation.

Notes on Negative Cash Balances

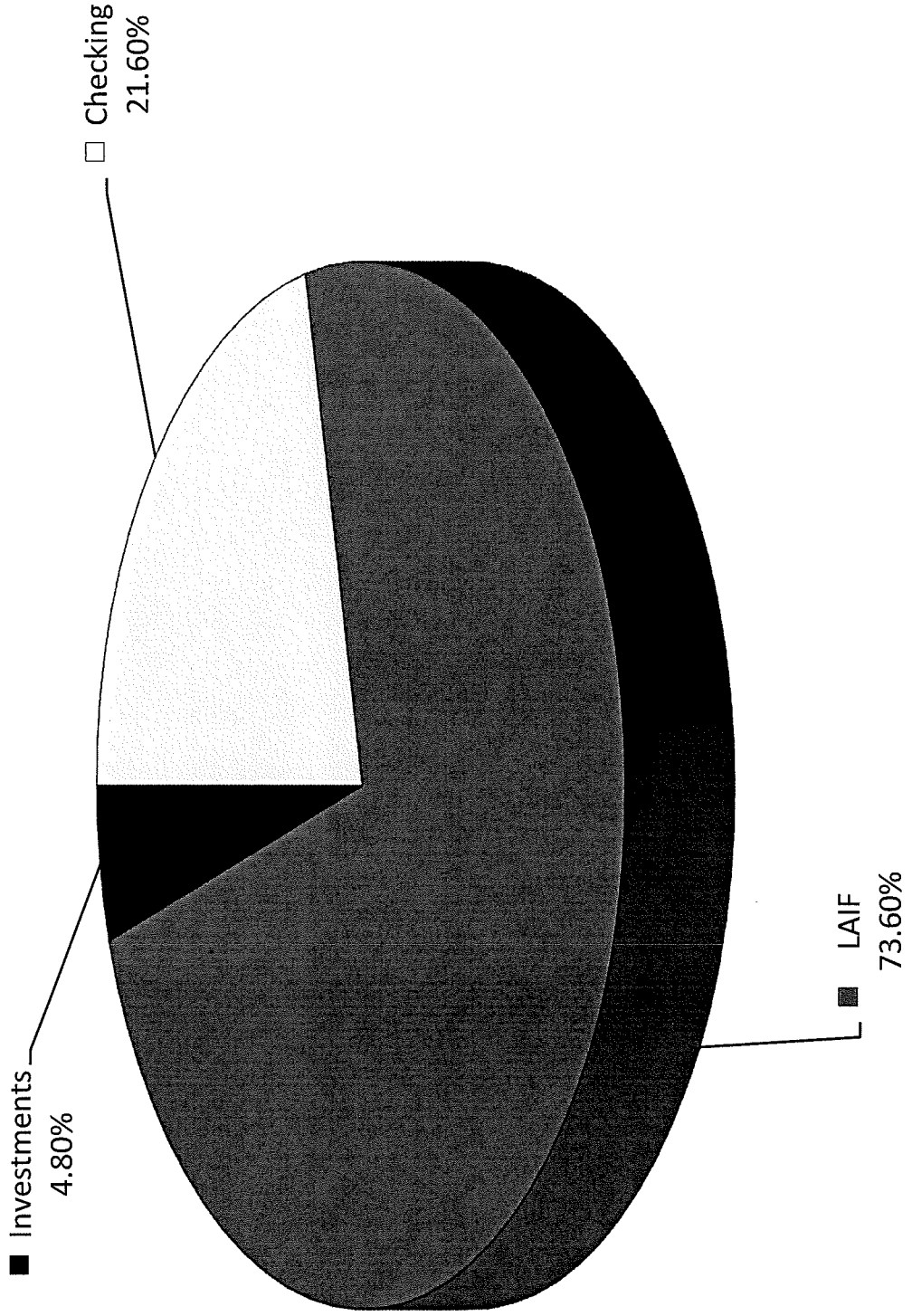
- (1) The General Operating Fund may have a negative cash for the majority of the fiscal year awaiting property and sales tax collections. This is covered by the Contingency Fund and other General Fund Reserve Funds until those collections are received. As Contingency and General Reserves exceed this negative, the City is not utilizing restricted resources.
- (2) These are reimbursable grant funds that utilize general pool monies initially to cover expenditures pending reimbursement from the granting agencies. Therefore, it is not uncommon for these to be negative until that reimbursement is received.
- (3) This fund has operational deficits annually. At the end of the fiscal year it is restored by a General Fund Transfer.
- (4) The Infrastructure Fund receives transfers from other funds to accomplish infrastructure projects. Those transfers are usually recorded when the projects nears completion or prior to mid-year budget preparation. Any negative in that fund will be eliminated at those times. Transfers from these funds (C.D.B.G., Gas Tax, Measure I, etc.) may go negative on cash pending collections of these revenues. In this way we can determine if obligations for projects are exceeding current resources.
- (5) This debt service operation utilizes transaction and use taxes which are part of the sales tax and Successor Agency property taxes. These have been sufficient in prior fiscal years to cover the necessary debt service; however, they are not completely received until fiscal year-end. Once debt service is covered the excess will be transferred to the General Fund.

**CITY OF MONTCLAIR
STATEMENT OF CASH AND INVESTMENT ACCOUNTS
AS OF MARCH 31, 2021**

	Par Value	Purchase Date	Maturity Date	Coupon Interest Rate	Current Market Value	Balance at Cost	Totals
CHECKING ACCOUNT							
Checking Account							\$ 8,989,153.49
Asset Seizure Account							\$ 6,834.05
CASH W/FISCAL AGENT, CD's, LAIF DEPOSITS, AND SHORT-TERM U.S. AGENCY SECURITIES							
Local Agency Investment Fund (LAIF)				0.370%	30,852,118.82	30,725,697.02	
First American Government					2,000,000.00	2,000,000.00	
					<u>\$ 32,852,118.82</u>		\$ 32,725,697.02
U.S. AGENCY SECURITIES							
					\$ -		\$ -
TOTAL							<u>\$ 41,721,684.56</u>

Current market values obtained from US Bank.

CITY OF MONTCLAIR
CASH AND INVESTMENTS BY TYPE
March 31, 2021
Total Cash & Investments \$41,721,685



**CITY OF MONTCLAIR AS SUCCESSOR TO
THE REDEVELOPMENT AGENCY
TREASURER'S REPORT**

FOR THE MONTH ENDING

March 31, 2021

**CITY OF MONTCLAIR AS SUCCESSOR TO
THE REDEVELOPMENT AGENCY
STATEMENT OF CASH BY FUND
March 31, 2021**

COMBINED OPERATING FUND

Operating	<u>60,791.56</u>	\$ 60,791.56
-----------	------------------	--------------

LRPRP Fund

Operating	<u>0.00</u>	\$ 0.00
-----------	-------------	---------

RORF

	29,455.96	
RORF Area I	0.00	
RORF Area II	0.00	
RORF Area III	0.00	
RORF Area IV	0.00	
RORF Area V	0.00	
RORF Area VI	0.00	\$ 29,455.96

TOTAL CASH

	<u><u>\$ 90,247.52</u></u>
--	----------------------------

**CITY OF MONTCLAIR AS SUCCESSOR TO
THE REDEVELOPMENT AGENCY
STATEMENT OF CASH
March 31, 2021**

Checking Account

US Bank

90,247.52

TOTAL CASH

90,247.52

NOTE:

In accordance with State law, the Successor Agency receives the monies necessary to cover its obligations for the upcoming six month period. The monies are received in January and June of each year.

The Successor Agency has sufficient funds available to meet expenditures during the upcoming six-month period.

**CITY OF MONTCLAIR AS SUCCESSOR TO
THE REDEVELOPMENT AGENCY
WARRANT REGISTER**

FOR THE MONTH ENDING

March 31, 2021

City of Montclair
 Final Warrant Register
 Council Date 04/19/2021
 Regular Warrants
 Checking Account: Successor to the RDA

	Warrants	US Bank transfers	Area Totals
SRDA Combined Operating Fund	6,000.00	7,270.07	13,270.07
RORF (Redevelopment Obligation Retirement Funds)	0.00	2,433,678.00	2,433,678.00
	6,000.00	2,440,948.07	

March 2021 Total

2,446,948.07

Note: Reimburse City for 3/4, 3/18 payrolls
 RORF- 2019 Series A&B bond payment

Vice Chair Ruh

Accounts Payable

Checks by Date - Summary by Check Number

User: cramirez
Printed: 4/7/2021 3:20 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
8174	BLXGr001	BLX Group LLC	03/25/2021	6,000.00
Report Total (1 checks):				6,000.00

Book Transfer Daily Activity Detail

CITY OF MONTCLAIR

SinglePoint

Reported Activity From 03/01/2021 To 03/31/2021

Printed on 04/07/2021 at 4:55 PM PDT



Effective Date	Amount	From: Debit Account Number	To: Credit Account Number	Status
03/18/2021	\$4,138.01	153499275813	153499275805	Completed

Debit Account Name CITY OF MONTCLAIR SUCCESSOR AGENCY
Debit Account Type DDA
Credit Account Name CITY OF MONTCLAIR GENERAL ACCOUNT
Credit Account Type DDA
Template Name .
Memo Reimburse City for 03/18/21 Payroll
Initiate Date 03/18/2021
Initiate Time 05:48PM CDT
Initiated By JKULBECK
Completed Date 03/18/2021
Completed Time 05:48PM CDT

Effective Date	Amount	From: Debit Account Number	To: Credit Account Number	Status
03/04/2021	\$3,132.06	153499275813	153499275805	Completed

Debit Account Name CITY OF MONTCLAIR SUCCESSOR AGENCY
Debit Account Type DDA
Credit Account Name CITY OF MONTCLAIR GENERAL ACCOUNT
Credit Account Type DDA
Template Name .
Memo Reimb City for 03/04/21 Payroll
Initiate Date 03/04/2021
Initiate Time 08:05PM CDT
Initiated By JKULBECK
Completed Date 03/04/2021
Completed Time 08:05PM CDT

Total Number of Book Transfers: 2
Total Amount of Book Transfers: \$7,270.07

--- End of Report ---

Send Date	Amount	Control No	Type	PAR No	Fed Ref/ SWIFT Ref	Status
03/11/2021	\$1,790,850.00	121362969	FED			Approval Required

Repeat Code/Template ID USBank SRDAA Repeat Code Nickname N/A
Debit Account Name CITY OF MONTCLAIR SUCCESSOR AGENCY Debit Account Number 153499275813

Receiver Bank Information (RCV)

Bank ABA (R/T) Bank Name
City State or Territory

Beneficiary Bank Information (BBK)

Bank ABA (R/T)091000022 Bank Name U.S. Bank National Association, WIR
Address Line 1 Address Line 2
City ST PAUL State or Territory MINNESOTA
Bank Account Number

Beneficiary Information (BNF)

Name U.S. Bank Trust N.A. Account Number 180121167365
Address Line 1 5111 Benito Street Address Line 2
City Montclair State or Territory CALIFORNIA

Notification Email Address jkulbeck@cityofmontclair.org

RFB 257735000

OBI Line 1 257735000A OBI Line 2
OBI Line 3 OBI Line 4

Bank to Bank Information (BBI)

Line 1 Line 2
Line 3 Line 4

Originator Information (ORG)

Name Account Number
Address 1 Address 2
City State or Territory

Wire Transfer History Information

create 03/10/2021 18:03:24 by JKULBECK@MONTCLAIR

Send Date	Amount	Control No	Type	PAR No	Fed Ref/ SWIFT Ref	Status
03/11/2021	\$642,828.00	121362977	FED			Approval Required

Repeat Code/Template ID USBank SRDAB Repeat Code Nickname N/A
Debit Account Name CITY OF MONTCLAIR SUCCESSOR AGENCY Debit Account Number 153499275813

Receiver Bank Information (RCV)
Bank ABA (R/T) Bank Name
City State or Territory

Beneficiary Bank Information (BBK)
Bank ABA (R/T)091000022 Bank Name U.S. Bank National Association, WIR
Address Line 1 Address Line 2
City ST PAUL State or Territory MINNESOTA
Bank Account Number

Beneficiary Information (BNF)
Name U.S. Bank Trust N.A. Account Number 180121167365
Address Line 1 5111 Benito Street Address Line 2
City Montclair State or Territory CALIFORNIA

Notification Email Address jkulbeck@cityofmontclair.org

RFB 257735000

OBI Line 1 257735000B OBI Line 2
OBI Line 3 OBI Line 4

Bank to Bank Information (BBI)
Line 1 Line 2
Line 3 Line 4

Originator Information (ORG)
Name Account Number
Address 1 Address 2
City State or Territory

Wire Transfer History Information
create 03/10/2021 18:04:18 by JKULBECK@MONTCLAIR

**CITY OF MONTCLAIR
HOUSING CORPORATION
TREASURER'S REPORT
FOR THE MONTH ENDING**

March 31, 2021

TABLE OF CONTENTS

SCHEDULE 1 - STATEMENT OF CASH AND INVESTMENTS

CASH AND INVESTMENTS GRAPH

Schedule 1

CITY OF MONTCLAIR
HOUSING CORPORATION
STATEMENT OF CASH AND INVESTMENTS
March 31, 2021

	<u>Interest Rate</u>	<u>Market Value</u>	<u>Book Value</u>
Checking Account			
US Bank			538,234.47
Investments			
LAIF	0.35%	1,712,381.82	<u>1,708,501.27</u>
TOTAL CASH & INVESTMENTS			<u><u>2,246,735.74</u></u>

NOTE:

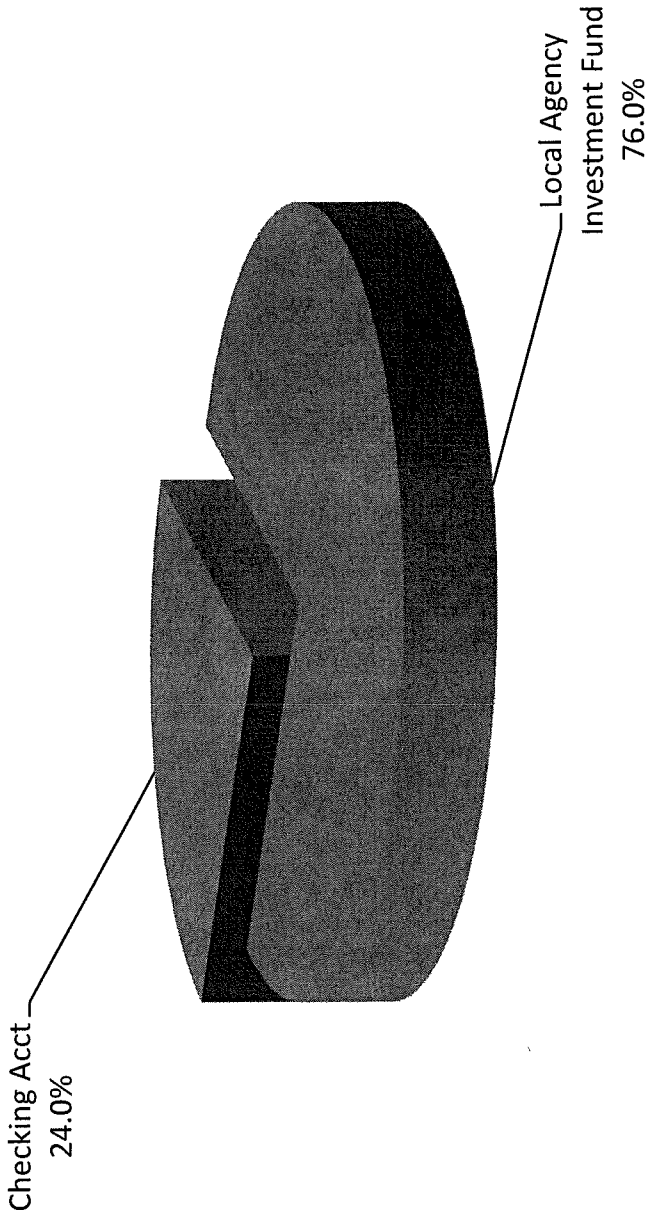
Pursuant to the Corporation's Investment Policy, all moneys are invested in banks, the Local Agency Investment Fund, and in securities with maturities of no greater than three years.

The Corporation has sufficient funds available to meet expenditures during the upcoming six-month period.

The Corporation is in compliance with the internal control procedures set forth in its Investment Policy.

**CITY OF MONTCLAIR
HOUSING CORPORATION
CASH AND INVESTMENTS GRAPH
March 31, 2021**

Total Cash & Investments - \$2,246,736



**CITY OF MONTCLAIR
HOUSING CORPORATION
WARRANT REGISTER
FOR THE MONTH ENDING**

March 31, 2021

City of Montclair
Final Warrant Register
Council Date 04/19/2021
Regular Warrants
Checking Account: MHC

<u>Warrants</u>	<u>ACH Transfers</u>	<u>Voided Checks</u>	<u>US Bank transfers</u>	<u>Totals</u>
9,695.71	0.00	0.00	16,977.70	26,673.41

March 2021 Total

26,673.41

US Bank transfers:

Reimburse City for 03/04 payroll

Reimburse City for 03/18 payroll

Vice Chair Ruh

Accounts Payable

Checks by Date - Summary by Check Number

User: cramirez
Printed: 4/7/2021 3:12 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
5179	land012	Landscape Maintenance Unlimited	03/03/2021	4,425.00
5180	Sout018	Southern California Edison Co	03/03/2021	17.20
5181	Mont002	City of Montclair	03/18/2021	1,932.80
5182	Mont074	Monte Vista Water District	03/18/2021	2,092.67
5183	Sout018	Southern California Edison Co	03/18/2021	430.31
5184	Sout021	Southern California Gas Co	03/18/2021	797.73
Report Total (6 checks):				9,695.71

Book Transfer Daily Activity Detail

CITY OF MONTCLAIR

SinglePoint

Reported Activity From 03/01/2021 To 03/31/2021

Printed on 04/07/2021 at 3:30 PM PDT



Effective Date	Amount	From: Debit Account Number	To: Credit Account Number	Status
03/18/2021	\$9,919.93	153499275821	153499275805	Completed

Debit Account Name MONTCLAIR HOUSING CORPORATION
Debit Account Type DDA
Credit Account Name CITY OF MONTCLAIR GENERAL ACCOUNT
Credit Account Type DDA
Template Name .
Memo Reimburse City for 03/18/21 Payroll
Initiate Date 03/18/2021
Initiate Time 05:48PM CDT
Initiated By JKULBECK
Completed Date 03/18/2021
Completed Time 05:48PM CDT

Effective Date	Amount	From: Debit Account Number	To: Credit Account Number	Status
03/04/2021	\$7,057.77	153499275821	153499275805	Completed

Debit Account Name MONTCLAIR HOUSING CORPORATION
Debit Account Type DDA
Credit Account Name CITY OF MONTCLAIR GENERAL ACCOUNT
Credit Account Type DDA
Template Name .
Memo Reimb City for 03/04/21 Payroll
Initiate Date 03/04/2021
Initiate Time 08:05PM CDT
Initiated By JKULBECK
Completed Date 03/04/2021
Completed Time 08:05PM CDT

Total Number of Book Transfers: 2
Total Amount of Book Transfers: \$16,977.70

--- End of Report ---

**CITY OF MONTCLAIR
HOUSING AUTHORITY
TREASURER'S REPORT
FOR THE MONTH ENDING
March 31, 2021**

Schedule 1

**CITY OF MONTCLAIR
HOUSING AUTHORITY
STATEMENT OF CASH
March 31, 2021**

	<u>Amount</u>
Checking Account	
US Bank	4,471.16
TOTAL CASH	\$ <u>4,471.16</u>

NOTE:

During the upcoming month, surplus moneys will be invested in the Local Agency Investment Fund. The MHA has sufficient monies available to meet expenditures during the next six month period.

**CITY OF MONTCLAIR
HOUSING AUTHORITY
WARRANT REGISTER
FOR THE MONTH ENDING
March 31, 2021**

City of Montclair
Final Warrant Register
Council Date 04/19/2021
Regular Warrants
Checking Account: MHA

<u>Warrants</u>	<u>Voided Checks</u>	<u>US Bank transfers - out.</u>	<u>Totals</u>
0.00	0.00	0.00	0.00
March 2021 Total			<u><u>0.00</u></u>

Vice Chair Ruh



**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Montclair
Montclair, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Montclair, for the year ended June 30, 2020. These procedures, which were agreed to by the City of Montclair and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.


This report is intended solely for the use of the City Council and management of the City of Montclair and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant & Fankhauser, LLP

February 25, 2021

CITY OF MONTCLAIR
APPROPRIATIONS LIMIT COMPUTATION
2019 – 2020

	2019 - 2020
Change in Per Capital Personal Income	3.85%
Population Change	
City Population Growth	0.87%
A. Change in Per Capita Personal Income	1.0385
B. Population Growth Converted to a Ratio	1.0087
Calculation of Growth Factor (A x B)	1.0475350
2018 - 2019 Appropriations Limit	\$ 403,532,142
2019 - 2020 Appropriations Limit (\$403,532,142 x 1.047535)	\$ 422,714,022



CITY OF MONTCLAIR
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2020

CITY OF MONTCLAIR
FINANCIAL STATEMENTS
Year Ended June 30, 2020

**CITY OF MONTCLAIR
FINANCIAL STATEMENTS
TABLE OF CONTENTS**

	Page
Independent Auditor's Report	1 - 3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5 - 6
Fund Financial Statements:	
Balance Sheet - Governmental Funds	7 - 8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Statement of Net Position - Proprietary Funds	13
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15
Statement of Fiduciary Net Position - Fiduciary Funds	16
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	17
Notes to Financial Statements	18 - 42
 Required Supplementary Information	
Budgetary Comparison Schedules:	
General Fund	43 - 44
Notes to Required Supplementary Information	45
Schedule of Changes in Total OPEB Liability and Related Ratios	46
Schedule of Changes in the Net Pension Liability and Related Ratios - Agent Multiple-employer Plan	47
Schedule of Contributions - Agent Multiple-employer Plan	48
Schedule of Proportionate Share of the Net Pension Liability – Cost-sharing Plan	49
Schedule of Contributions – Cost-sharing Plan	50
 Supplementary Information	
Non-Major Governmental Funds:	
Combining Balance Sheet	51 - 58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	59 - 66
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	67



Independent Auditor's Report

The Honorable City Council
City of Montclair, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 25, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Van Lant + Fankhaed, LLP".

February 25, 2021

BASIC FINANCIAL STATEMENTS

City of Montclair
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 42,653,810	\$ 4,537,617	\$ 47,191,427
Receivables:			
Accounts	2,898,614	540,768	3,439,382
Notes and Loans	2,604,461	-	2,604,461
Accrued Interest	109,286	-	109,286
Prepaid Costs	122,673	-	122,673
Due From Other Governments	3,175,690	135,434	3,311,124
Restricted Assets:			
Cash	98,550	-	98,550
Capital Assets Not Being Depreciated	31,534,664	-	31,534,664
Capital Assets, Net of Accumulated Depreciation	80,785,680	2,193,891	82,979,571
Total Assets	<u>163,983,428</u>	<u>7,407,710</u>	<u>171,391,138</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow - Bond Refunding	239,062	-	239,062
Deferred Outflows Related to OPEB	928,294	37,404	965,698
Deferred Outflows Related to Pensions	13,287,247	462,205	13,749,452
Total Deferred Outflows of Resources	<u>14,454,603</u>	<u>499,609</u>	<u>14,954,212</u>
LIABILITIES			
Accounts Payable	2,569,932	731,630	3,301,562
Accrued Liabilities	411,761	27,914	439,675
Accrued Interest	431,972	-	431,972
Deposits Payable	171,645	-	171,645
Due to Other Governments	13,005	-	13,005
Noncurrent Liabilities:			
Due Within One Year	2,086,757	8,680	2,095,437
Due in More Than One Year	126,606,521	3,031,857	129,638,378
Total Liabilities	<u>132,291,593</u>	<u>3,800,081</u>	<u>136,091,674</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	776,940	31,306	808,246
Deferred Inflows Related to Pensions	2,964,285	88,386	3,052,671
Total Deferred Inflows of Resources	<u>3,741,225</u>	<u>119,692</u>	<u>3,860,917</u>
NET POSITION			
Net Investment in Capital Assets	70,130,072	2,193,891	72,323,963
Restricted for:			
Housing	5,319,027	-	5,319,027
Public Safety	1,265,513	-	1,265,513
Transportation	3,672,760	-	3,672,760
Community Development	14,664,229	-	14,664,229
Unrestricted	(52,646,388)	1,793,655	(50,852,733)
Total Net Position	<u>\$ 42,405,213</u>	<u>\$ 3,987,546</u>	<u>\$ 46,392,759</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ (16,653,228)	\$ 2,302,200	\$ 39,729	\$ -
Public Safety	(21,598,587)	771,944	578,818	-
Community Development	(5,503,090)	884,832	799,880	551,209
Public Works	(4,147,997)	3,676,522	20,738	3,861,402
Interest on Long-Term Debt	(1,699,852)	-	-	-
Total Governmental Activities	<u>(49,602,754)</u>	<u>7,635,498</u>	<u>1,439,165</u>	<u>4,412,611</u>
Business-type Activities:				
Sewer Maintenance	<u>(5,446,448)</u>	<u>5,271,626</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>(5,446,448)</u>	<u>5,271,626</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ (55,049,202)</u>	<u>\$ 12,907,124</u>	<u>\$ 1,439,165</u>	<u>\$ 4,412,611</u>

General Revenues:

Taxes:

- Property Taxes
- Transient Occupancy Taxes
- Sales Taxes
- Franchise Taxes
- Business Licenses Taxes
- Utility Users Tax
- Other Taxes

Miscellaneous Revenues

Interest Income

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (14,311,299)	\$ -	\$ (14,311,299)
(20,247,825)	-	(20,247,825)
(3,267,169)	-	(3,267,169)
3,410,665	-	3,410,665
<u>(1,699,852)</u>	<u>-</u>	<u>(1,699,852)</u>
<u>(36,115,480)</u>	<u>-</u>	<u>(36,115,480)</u>
<u>-</u>	<u>(174,822)</u>	<u>(174,822)</u>
<u>-</u>	<u>(174,822)</u>	<u>(174,822)</u>
<u>(36,115,480)</u>	<u>(174,822)</u>	<u>(36,290,302)</u>
8,232,243	-	8,232,243
61,321	-	61,321
15,390,605	-	15,390,605
767,676	-	767,676
814,326	-	814,326
1,623,731	-	1,623,731
31,312	-	31,312
848,671	-	848,671
<u>955,542</u>	<u>58,006</u>	<u>1,013,548</u>
<u>28,725,427</u>	<u>58,006</u>	<u>28,783,433</u>
(7,390,053)	(116,816)	(7,506,869)
<u>49,795,266</u>	<u>4,104,362</u>	<u>53,899,628</u>
<u>\$ 42,405,213</u>	<u>\$ 3,987,546</u>	<u>\$ 46,392,759</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Capital Projects		
		2014 Refunding Bonds	Successor Agency Bonds	Infrastructure
ASSETS				
Pooled Cash and Investments	\$ 7,527,646	\$ 2,247,462	\$ 13,487,698	\$ -
Receivables:				
Accounts	2,314,499	-	-	165,832
Notes and Loans	5,000	-	-	-
Accrued Interest	57,023	651	45,890	-
Prepaid Costs	121,741	-	-	-
Due from Other Governments	2,851,646	-	-	-
Due from Other Funds	1,307,273	-	-	1,230,376
Restricted Assets:				
Cash	98,550	-	-	-
Total Assets	\$ 14,283,378	\$ 2,248,113	\$ 13,533,588	\$ 1,396,208
LIABILITIES				
Accounts Payable	\$ 1,033,627	\$ 733,958	\$ 87,724	\$ 236,964
Accrued Liabilities	356,342	-	-	-
Deposits Payable	98,550	-	-	-
Due to Other Governments	7,905	-	-	-
Due to Other Funds	35,043	-	-	1,016,289
Total Liabilities	1,531,467	733,958	87,724	1,253,253
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	175,000	-	-	-
Total Deferred Inflows of Resources	175,000	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	121,741	-	-	-
Restricted	-	1,514,155	13,445,864	-
Committed	-	-	-	-
Assigned	7,633,097	-	-	142,955
Unassigned	4,822,073	-	-	-
Total Fund Balances (Deficits)	12,576,911	1,514,155	13,445,864	142,955
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,283,378	\$ 2,248,113	\$ 13,533,588	\$ 1,396,208

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>			
<u>PUC</u>	<u>Economic</u>	<u>Other</u>	<u>Total</u>
<u>Reimbursement</u>	<u>Development</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
\$ 1,689,981	\$ 5,897,444	\$ 11,803,579	\$ 42,653,810
-	76	418,207	2,898,614
-	-	2,599,461	2,604,461
-	-	5,722	109,286
-	-	932	122,673
-	-	324,044	3,175,690
-	-	577,983	3,115,632
-	-	-	98,550
<u>\$ 1,689,981</u>	<u>\$ 5,897,520</u>	<u>\$ 15,729,928</u>	<u>\$ 54,778,716</u>
\$ -	\$ 32,742	\$ 444,917	\$ 2,569,932
-	8,619	46,800	411,761
-	-	73,095	171,645
-	-	5,100	13,005
<u>1,221,927</u>	<u>-</u>	<u>842,373</u>	<u>3,115,632</u>
<u>1,221,927</u>	<u>41,361</u>	<u>1,412,285</u>	<u>6,281,975</u>
-	-	-	175,000
-	-	-	175,000
-	-	932	122,673
468,054	-	14,330,261	29,758,334
-	5,856,159	-	5,856,159
-	-	-	7,776,052
-	-	(13,550)	4,808,523
<u>468,054</u>	<u>5,856,159</u>	<u>14,317,643</u>	<u>48,321,741</u>
<u>\$ 1,689,981</u>	<u>\$ 5,897,520</u>	<u>\$ 15,729,928</u>	<u>\$ 54,778,716</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Fund Balances of Governmental Funds		\$ 48,321,741
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		112,320,344
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds		(42,429,334)
Claims and Judgements		(1,910,458)
Compensated Absences		(1,894,628)
Net Pension Liability		(70,692,292)
Net OPEB Liability		(11,766,566)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(431,972)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds.		
Deferred Outflows Related to Pensions		13,287,247
Deferred Inflows Related to Pensions		(2,964,285)
Deferred Outflows Related to OPEB		928,294
Deferred Inflows Related to OPEB		(776,940)
Amounts for deferred outflows related to the City's defeasance of prior bonds are not reported in the funds.		239,062
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported as available revenues in the funds.		<u>175,000</u>
Net Position of Governmental Activities		<u><u>\$ 42,405,213</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Capital Projects		Infrastructure
		2014 Refunding Bonds	Successor Agency Bonds	
REVENUES				
Taxes	\$ 26,324,290	\$ -	\$ -	\$ -
Licenses and Permits	480,046	-	-	-
Intergovernmental	219,115	-	-	159,021
Charges for Services	4,146,350	-	-	-
Use of Money and Property	626,164	1,364	326,651	-
Fines and Forfeitures	306,953	-	-	-
Miscellaneous	301,152	-	-	-
Total Revenues	32,404,070	1,364	326,651	159,021
EXPENDITURES				
Current:				
General Government	10,508,305	-	-	-
Public Safety	15,887,677	-	-	-
Community Development	1,955,208	-	-	-
Public Works	2,898,883	6,940,717	841,189	-
Capital Outlay	415,820	-	-	2,772,079
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	31,665,893	6,940,717	841,189	2,772,079
Excess (Deficiency) of Revenues Over Expenditures	738,177	(6,939,353)	(514,538)	(2,613,058)
OTHER FINANCING SOURCES (USES)				
Transfers In	151,494	-	-	2,639,404
Transfers Out	(2,715,035)	-	-	-
Total Other Financing Sources (Uses)	(2,563,541)	-	-	2,639,404
Net Change in Fund Balances	(1,825,364)	(6,939,353)	(514,538)	26,346
Fund Balance, Beginning of Year	14,402,275	8,453,508	13,960,402	116,609
Fund Balance, End of Year	\$ 12,576,911	\$ 1,514,155	\$ 13,445,864	\$ 142,955

The accompanying notes are an integral part of this statement.

Capital Projects			
PUC Reimbursement	Economic Development	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,177,169	\$ 28,501,459
-	-	-	480,046
-	842,195	3,835,027	5,055,358
-	-	631,451	4,777,801
-	-	1,082,923	2,037,102
-	-	286,008	592,961
-	-	455,622	756,774
-	842,195	8,468,200	42,201,501
-	-	1,205,587	11,713,892
-	-	959,155	16,846,832
-	461,731	3,081,064	5,498,003
-	-	1,054,177	11,734,966
-	19,613	190,657	3,398,169
-	-	850,000	850,000
-	-	1,747,138	1,747,138
-	481,344	9,087,778	51,789,000
-	360,851	(619,578)	(9,587,499)
-	-	2,874,939	5,665,837
(1,221,927)	-	(1,728,875)	(5,665,837)
(1,221,927)	-	1,146,064	-
(1,221,927)	360,851	526,486	(9,587,499)
1,689,981	5,495,308	13,791,157	57,909,240
<u>\$ 468,054</u>	<u>\$ 5,856,159</u>	<u>\$ 14,317,643</u>	<u>\$ 48,321,741</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (9,587,499)

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

Governmental funds report capital outlays as an expenditures. However in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Acquisition of Capital Assets	11,100,505
Depreciation Expense	(4,525,400)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.

Debt Issuance	-
Amortization of Premium on Refunding Bond	55,573
Principal Repayments	850,000
Amortization of Deferred Outflow on Refunding	(9,563)

Claims and judgments expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	139,248
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Accrued interest payable is not reported in the governmental funds.	1,276
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To record the net change in compensated absences in the Statement of Activities.	(145,228)
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Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.	11,200
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Some expenses reported in the Statement of Activities relating to pensions and OPEB do not require the use of current financial resources and are not reported as governmental fund expenditures.

Net change in Deferred Outflows Related to Pensions	363,274
Net change in Deferred Inflows Related to Pensions	(1,056,865)
Net change in Net Pension Liability	(4,530,036)
Net change in Deferred Outflows Related to OPEB	398,201
Net change in Deferred Inflows Related to OPEB	192,192
Net change in Net OPEB Liability	(646,931)

Change in Net Position of Governmental Activities	\$ (7,390,053)
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The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
ASSETS	
Current:	
Pooled Cash and Investments	\$ 4,537,617
Receivables:	
Accounts (net of allowance)	540,768
Due from Other Governments	<u>135,434</u>
Total Current Assets	<u>5,213,819</u>
Noncurrent:	
Capital Assets Not Being Depreciated	-
Capital Assets - Net of Accumulated Depreciation	<u>2,193,891</u>
Total Noncurrent Assets	<u>2,193,891</u>
Total Assets	<u>7,407,710</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	37,404
Deferred Outflows Related to Pensions	<u>462,205</u>
Total Deferred Outflows of Resources	<u>499,609</u>
LIABILITIES	
Current:	
Accounts Payable	731,630
Accrued Liabilities	27,914
Accrued Compensated Absences	<u>8,680</u>
Total Current Liabilities	<u>768,224</u>
Noncurrent:	
Accrued Compensated Absences	81,849
OPEB Liability	474,118
Net Pension Liability	<u>2,475,890</u>
Total Noncurrent Liabilities	<u>3,031,857</u>
Total Liabilities	<u>3,800,081</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	31,306
Deferred Inflows Related to Pensions	<u>88,386</u>
Total Deferred Inflows of Resources	<u>119,692</u>
NET POSITION	
Net Investment in Capital Assets	2,193,891
Unrestricted	<u>1,793,655</u>
Total Net Position	<u><u>\$ 3,987,546</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
OPERATING REVENUES	
Sales and Service Charges	<u>\$ 5,271,626</u>
Total Operating Revenues	<u>5,271,626</u>
OPERATING EXPENSES	
Salaries and Benefits	1,392,938
Supplies and Services	273,039
Treatment	3,706,915
Depreciation Expense	<u>73,556</u>
Total Operating Expenses	<u>5,446,448</u>
Operating Income (Loss)	<u>(174,822)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	<u>58,006</u>
Total Nonoperating Revenues (Expenses)	<u>58,006</u>
Income Before Transfers	(116,816)
Transfers Out	<u>-</u>
Changes in Net Position	(116,816)
Net Position, Beginning of Year	<u>4,104,362</u>
Net Position, End of Fiscal Year	<u><u>\$ 3,987,546</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 5,222,731
Cash Paid to Suppliers for Goods and Services	(3,845,432)
Cash Paid to Employees for Services	(1,195,721)
Net Cash Provided (Used) by Operating Activities	<u>181,578</u>
Cash Flows from Non-Capital Financing Activities	
Cash Received From (Paid to) Other Funds	(30,081)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(30,081)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
Cash Flows from Investing Activities	
Interest Received	58,006
Net Cash Provided (Used) by Investing Activities	<u>58,006</u>
Net Increase (Decrease) in Cash and Cash Equivalents	209,503
Cash and Cash Equivalents at Beginning of Year	<u>4,328,114</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,537,617</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (174,822)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation	73,556
(Increase) Decrease in Accounts Receivable	(39,145)
(Increase) Decrease in Due from Other Governments	(9,750)
(Increase) Decrease in Deferred Outflows - OPEB	(13,934)
(Increase) Decrease in Deferred Outflows - Pensions	(12,960)
Increase (Decrease) in Accounts Payable	134,522
Increase (Decrease) in Accrued Liabilities	13,258
Increase (Decrease) in Compensated Absences	15,580
Increase (Decrease) in Deferred Inflows - OPEB	(11,602)
Increase (Decrease) in Deferred Inflows - Pension	60,332
Increase (Decrease) in Total OPEB Liability	(18,205)
Increase (Decrease) in Net Pension Liability	164,748
Total Adjustments	<u>356,400</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 181,578</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Successor Agency Private-purpose Trust Fund	Agency Fund
ASSETS		
Pooled Cash and Investments	\$ 1,412,934	\$ 4,136,371
Restricted Cash with Fiscal Agent	2,141,580	-
	3,554,514	\$ 4,136,371
Total Assets	3,554,514	\$ 4,136,371
LIABILITIES		
Accounts Payable	-	\$ 261,909
Accrued Liabilities	866	-
Due to Other Governments	5,000	3,874,462
Interest Payable	280,790	-
Bonds Payable	35,687,177	-
	35,973,833	\$ 4,136,371
Total Liabilities	35,973,833	\$ 4,136,371
NET POSITION		
Net Position Held in Trust for Successor Agency	\$ (32,419,319)	

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2020

	<u>Successor Agency Private-purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 18,571,202
Investment Income	49,435
Other Revenue	<u>2,286</u>
Total Additions	<u>18,622,923</u>
DEDUCTIONS	
Administrative Costs	922,164
Bond Issuance Costs	901,673
Pass-through Payments	14,541,177
Interest on Bonds	<u>1,021,360</u>
Total Deductions	<u>17,386,374</u>
Change in Net Position	1,236,549
Net Position - Beginning of Year	<u>(33,655,868)</u>
Net Position - End of Year	<u><u>\$ (32,419,319)</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Entity

The reporting entity is a municipal corporation governed by an elected mayor and a four-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Montclair (the City), and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operation, so data from these units are combined herein. The following criteria were used in the determination of blended units:

The members of the City Council also act as the governing body of the Montclair Housing Corporation, the Montclair Housing Authority, the Montclair Public Financing Authority (PFA), and the Montclair Community Foundation (Foundation). The City, Housing Corporation, Housing Authority, PFA, and Foundation are financially interdependent. The Housing Corporation, Housing Authority, PFA, and Foundation are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Housing Corporation and Housing Authority each year. The City of Montclair was incorporated April 25, 1956, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

Blended Component Units

The Montclair Housing Corporation was established in September 1993. The Corporation presently manages 98 residential units which are occupied by over 300 people. Those properties are covered by 55 year deed restrictions for affordability and approximately 80 percent of those deed restrictions are for very low income families.

The Montclair Housing Authority (the Authority) was established on July 18, 2011 to minimize the amount of unsanitary and unsafe inhabited dwelling accommodations and to provide decent, safe, sanitary, and affordable dwelling accommodations to persons of low income. On January 12, 2012, the Authority elected to serve as the Successor Housing Agency of the City of Montclair Redevelopment Agency (former redevelopment agency) and in accordance with that role it has received transferred Low and Moderate Housing assets of the former redevelopment agency as part of the dissolution process.

The Montclair Public Financing Authority was established through a Joint Exercise of Powers Agreement, dated as of September 1, 2014, by and between the City and the Montclair Housing Authority. The Authority is qualified to assist in the financing of certain public improvements and to issue Bonds under the Bond Law.

The Montclair Community Foundation, a separate 501(c)(3) organization, was established to provide various community services, and is funded by contributions from the community.

Separate financial statements are not prepared for the Corporation, the Authority, the PFA, or Foundation.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this period, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, to include revenues received later than 60 days due to delays in processing payments to the City by other levels of government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *2014 Refunding Bonds Fund* accounts for the debt proceeds yet to be expended.

The *Successor Agency Bonds Capital Projects Fund* accounts for bond funds to be expended on various approved projects.

The *Infrastructure Capital Projects Fund* accounts for amounts committed by the City Council to be expended on various capital improvement projects, to be funded by multiple City funding sources, including federal grants.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The *PUC Reimbursement Capital Projects Fund* accounts for monies received from the Public Utilities Commission for reimbursement of right of way acquisitions of property for the Monte Vista Grade Separation Project. By agreement with the San Bernardino County Transportation Authority these have been restricted for use on that project as a buy down of the total construction costs.

The *Economic Development Capital Projects Fund* accounts for monies set aside by City Council for the purpose of economic development within the City.

The City reports the following major proprietary fund:

The *Sewer Maintenance Fund* accounts for sewer service revenues and the corresponding sewer maintenance expenses.

Additionally, the City reports the following fund types:

The *Agency funds* are used to account for assets held by a governmental unit as an agent for individual, private organizations and/or other governmental units. The *Successor Agency Private-Purpose Trust Fund* accounts for the balances and activities relating to the dissolution of the former Redevelopment Agency.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reporting as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted, as they are needed.

D) Assets, Liabilities and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Proprietary funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed costs. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Receivables and Payables

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

Advances between funds, if reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Policy for Eliminating Internal Activity in Government-Wide Statement of Activities

Administrative overhead charges are made to funds and programs and are thereby included in the direct expenses of those funds and programs.

Property Tax Calendar

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or pass due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of January each year and are delinquent, if unpaid, on August 31.

Functional Classifications

Expenditures of the Governmental funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Community Development includes those activities which involve the enhancing of the general quality of life.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park development and maintenance.
- Debt Service includes those activities that account for the payment of long-term principal, interest and fiscal charges.

Prepaid Items

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

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the Government-wide Financial Statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment and \$50,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Sewer Lines	100 years
Structures and Improvements	20 to 99 years
Furniture and Equipment	5 to 20 years
Infrastructure Assets	5 to 30 years

Compensated Absences

Compensated absences are the City's liabilities for future vacation, sick and other leave benefits. The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above, with both portions being reflected in the government-wide financial statements. Compensated absences are paid, when matured, out of the general fund.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

For Proprietary funds, the total amount of the liability for compensated absences is segregated between short-term and long-term as indicated above and both portions are reflected in the fund involved.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times his or her regular annual entitlement without approval of the City Manager.

Sick leave is payable when an employee is unable to work because of illness. Sick leave may be accumulated indefinitely or an employee may convert one-half of unused sick leave accrued during the preceding year for cash providing the person has been employed on a full-time basis for two years immediately preceding November 30 of each year. Unused sick leave may be redeemed in the two years prior to retirement at the rate of two days of sick leave for one day of absence leave. All unused sick leave is forfeited upon termination, other than for normal retirement.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2018 Valuation Date, June 30, 2019 Measurement Date, July 1, 2018 through June 30, 2019 Measurement Period.

Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows relating to the Total OPEB Liability as well as the Net Pension Liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows related to the Total OPEB Liability and also the Net Pension Liability.

Net Position

Net Investment in Capital Assets – this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – this category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - this category represents the net position of the City that is not externally restricted for any project or other purpose.

Net Position Flow Assumption

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

Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts constrained for a specific purpose by City Council action. It would require the same action by City Council to remove the constraint.

Assigned Fund Balance - Amounts that are constrained by the City Manager with the intent to use specified financial resources for specific purposes, but are neither restricted nor committed as defined by the City's fund balance policy adopted by Resolution No. 11-2932.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

E) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

City of Montclair
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following non-major funds have deficit fund balances at June 30, 2020:

Special Revenue Funds:		
CDBG	\$	1,545
Safety Department Grants		12,005

These deficits will be funded with future years' revenues.

3) CASH AND INVESTMENTS

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$	42,752,360
Business-Type Activities		4,537,617
Fiduciary Funds		7,690,885
Total Cash and Investments	\$	54,980,862

The City of Montclair maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency.

City of Montclair
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS – Continued

Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Bonds issued by the local agency
- United States Treasury notes, bonds, bills or certificates
- Registered state warrants or treasury notes or bonds of California
- Bonds, notes, warrants or other evidences of indebtedness of any local agency of the State of California
- Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments.
- Bankers' Acceptances and commercial paper
- Negotiable certificates of deposit
- Repurchase Agreements and reverse repurchase agreements
- Medium-term notes
- Money market funds
- Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest
- Mortgage pass-through securities
- Local Agency Investment fund

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

GASB Statement No. 31 established fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

City of Montclair
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS – Continued

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2020, the City has no investment in medium-term notes. The City's investments in various State and local agency bonds are rated "A" or better by S&P. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2020, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2020, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer. With respect to concentration risk, as of June 30, 2020, the City is in compliance with the investment policy restrictions. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. The City had no investments in any one issuer that exceeded 5% of total investments.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 15% of the City's portfolio shall mature in one year or less, and 50% in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. As of June 30, 2020, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities				Fair Value
	6 Months Or Less	6 Months to 1 Year	1 to 5 Years	5 to 8 Years	
Local Agency Investment Fund	\$ 30,500,896	\$ -	\$ -	\$ -	\$ 30,500,896
Money Market Funds	9,609,952	-	-	-	9,609,952
Total	<u>\$ 40,110,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,110,848</u>

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has no investments that are subject to the fair value hierarchy.

City of Montclair
Notes to Financial Statements
June 30, 2020

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 10,807,072	\$ 110,493	\$ -	\$ 10,917,565
Work in Progress	9,179,018	9,769,994	923,058	18,025,954
Land Improvements	2,591,145	-	-	2,591,145
Total Capital Assets Not Depreciated	<u>22,577,235</u>	<u>9,880,487</u>	<u>923,058</u>	<u>31,534,664</u>
Capital Assets, Being Depreciated:				
Structures and Improvements	21,437,304	331,480	-	21,768,784
Furniture and Equipment	7,064,442	888,538	-	7,952,980
Infrastructure	100,155,527	923,058	-	101,078,585
Total Capital Assets Being Depreciated	<u>128,657,273</u>	<u>2,143,076</u>	<u>-</u>	<u>130,800,349</u>
Less Accumulated Depreciation:				
Structures and Improvements	8,822,153	455,271	-	9,277,424
Furniture and Equipment	4,615,300	620,449	-	5,235,749
Infrastructure	32,051,816	3,449,680	-	35,501,496
Total Accumulated Depreciation	<u>45,489,269</u>	<u>4,525,400</u>	<u>-</u>	<u>50,014,669</u>
Total Capital Assets Being Depreciated, Net	<u>83,168,004</u>	<u>(2,382,324)</u>	<u>-</u>	<u>80,785,680</u>
Governmental Activities Capital Assets, Net	<u>\$ 105,745,239</u>	<u>\$ 7,498,163</u>	<u>\$ 923,058</u>	<u>\$ 112,320,344</u>
Business-Type Activities:				
Capital Assets, Not Depreciated:				
Work in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Not Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Sewer Lines	3,333,838	-	-	3,333,838
Infrastructure	106,985	-	-	106,985
Furniture and Equipment	1,143,859	-	-	1,143,859
Total Capital Assets Being Depreciated	<u>4,584,682</u>	<u>-</u>	<u>-</u>	<u>4,584,682</u>
Less Accumulated Depreciation:				
Sewer Lines	1,541,840	33,338	-	1,575,178
Infrastructure	7,132	3,566	-	10,698
Furniture and Equipment	768,263	36,652	-	804,915
Total Accumulated Depreciation	<u>2,317,235</u>	<u>73,556</u>	<u>-</u>	<u>2,390,791</u>
Total Capital Assets Being Depreciated, Net	<u>2,267,447</u>	<u>(73,556)</u>	<u>-</u>	<u>2,193,891</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,267,447</u>	<u>\$ (73,556)</u>	<u>\$ -</u>	<u>\$ 2,193,891</u>

City of Montclair
Notes to Financial Statements
June 30, 2020

4) CAPITAL ASSETS - Continued

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

Governmental Activities:	
General Government	\$ 3,088,619
Public Safety	1,316,327
Community Development	5,087
Public Works	115,367
Total Governmental Activities	\$ 4,525,400
Business-Type Activities: Sewer	\$ 73,556

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, was as follows:

DUE TO	DUE FROM				Total
	General Fund	Infrastructure	PUC Reimb.	Non-Major Funds	
General Fund	\$ -	\$ 1,016,289	\$ -	\$ 290,984	\$ 1,307,273
Infrastructure Fund	-	-	1,221,927	8,449	1,230,376
Non-Major Funds	35,043	-	-	542,940	577,983
Total	\$ 35,043	\$ 1,016,289	\$ 1,221,927	\$ 842,373	\$ 3,115,632

Interfund receivables and payables are used to loan amounts between funds to provide temporary funds for operations which will be reimbursed by tax and grant collections.

TRANSFERS OUT	TRANSFERS IN			Total
	General Fund	Infrastructure Fund	Non-Major Funds	
General Fund	\$ -	\$ 95	\$ 2,714,940	\$ 2,715,035
PUC Reimbursement	-	1,221,927	-	1,221,927
Non-Major Funds	151,494	1,417,382	159,999	1,728,875
Total	\$ 151,494	\$ 2,639,404	\$ 2,874,939	\$ 5,665,837

The General Fund received \$151,494 from non-major funds in reimbursement for costs incurred applicable to grant funded programs. Non-major funds also transferred \$1,417,382 to the Infrastructure Fund for various capital projects. The General Fund made transfers of \$2,714,940 to non-major funds for debt service costs and to cover deficits in various funds. The PUC Reimbursement Fund transferred \$1,221,927 to the Infrastructure Fund for capital improvement projects.

City of Montclair
Notes to Financial Statements
June 30, 2020

6) LONG-TERM DEBT

A) Long-Term Debt Activity

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Lease Revenue Bonds:					
2014 Refunding Bonds	\$ 41,890,000	\$ -	\$ 850,000	\$ 41,040,000	\$ 885,000
Premium	1,444,907	-	55,573	1,389,334	55,573
Claims and Judgments	2,049,706	223,156	362,404	1,910,458	897,138
Total OPEB Liability	11,119,635	646,931	-	11,766,566	-
Net Pension Liability	66,162,256	4,530,036	-	70,692,292	-
Compensated Absences	1,749,400	1,125,381	980,153	1,894,628	249,046
Total	<u>\$124,415,904</u>	<u>\$ 6,525,504</u>	<u>\$ 2,248,130</u>	<u>\$ 128,693,278</u>	<u>\$ 2,086,757</u>
Business-type Activities:					
Compensated Absences	\$ 74,949	\$ 47,632	\$ 32,052	\$ 90,529	\$ 8,680
Total OPEB Liability	492,323	-	18,205	474,118	-
Net Pension Liability	2,311,142	164,748	-	2,475,890	-
Total	<u>\$ 2,878,414</u>	<u>\$ 212,380</u>	<u>\$ 50,257</u>	<u>\$ 3,040,537</u>	<u>\$ 8,680</u>

2014 Lease Revenue Refunding Bonds

During fiscal year 2014-15, the Montclair Public Financing Authority (Authority) issued \$45,000,000 of 2014 Lease Revenue Refunding Bonds. The Bonds were issued to refund the outstanding 2005 Lease Revenue Bonds, and provide funds for various public improvements and infrastructure projects. The City and the Authority have entered into a lease agreement, pursuant to which the City will make lease payments to the Authority. The Bonds are secured by these lease payments. Interest on the Bonds is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2015. The Bonds carry various interest rates ranging from 3% to 5%. Principal maturities commenced on October 1, 2015, and continue on October 1 of each year through 2049. The outstanding balance at June 30, 2020 is \$41,040,000. The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 885,000	\$ 1,705,763	\$ 2,590,763
2022	930,000	1,660,388	2,590,388
2023	975,000	1,612,762	2,587,762
2024	1,025,000	1,562,762	2,587,762
2025	1,075,000	1,510,263	2,585,263
2026 - 2030	6,005,000	6,967,981	12,972,981
2031 - 2035	7,285,000	5,601,625	12,886,625
2036 - 2040	9,170,000	3,693,400	12,863,400
2041 - 2045	11,180,000	1,655,000	12,835,000
2046	2,510,000	50,200	2,560,200
Totals	<u>\$ 41,040,000</u>	<u>\$ 26,020,144</u>	<u>\$ 67,060,144</u>

City of Montclair
Notes to Financial Statements
June 30, 2020

6) LONG-TERM DEBT – Continued

Claims and Judgments

The City is self-insured to some extent for general liability and workers' compensation claims. For more detail, see Note 9. The balance of claims payable at June 30, 2020 is \$1,910,458.

B) Fiduciary Fund Long-Term Debt Activity

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
2007A	\$ 19,520,000	\$ -	\$ 19,520,000	\$ -	\$ -
2007B	2,050,000	-	2,050,000	-	-
2006A	5,090,000	-	5,090,000	-	-
2006B	3,280,000	-	3,280,000	-	-
2004	3,470,000	-	3,470,000	-	-
2001	6,670,000	-	6,670,000	-	-
1997	80,000	-	80,000	-	-
2019A	-	19,890,000	-	19,890,000	1,325,000
2019B	-	12,660,000	-	12,660,000	255,000
Premium on Bonds	-	3,137,177	-	3,137,177	-
Total	\$ 40,160,000	\$35,687,177	\$40,160,000	\$ 35,687,177	\$ 1,580,000

Tax Allocation Bonds

2019 A and B (Taxable) Tax Allocation Refunding Bonds

In December 2019, the Successor Agency to the City of Montclair Redevelopment Agency issued the 2019 Series A and B (Taxable) Tax Allocation Refunding Bonds in the amount of \$19,890,000 and \$12,660,000. Proceeds from 2019 Bonds will be applied to: (i) refund bonds (2007A, 2007B, 2006A, 2006B, 2004, 2001 and 1997) incurred by the Former Agency, (ii) pay for the premium for a debt service reserve insurance policy to be issued by Build America Mutual Assurance Company and (iii) pay costs of issuance of the 2019 Bonds. The prior bonds were issued to finance and refinance the former Redevelopment Agency's undertakings with respect to four project areas known as Redevelopment Project Area No. 1, Montclair Redevelopment Project Area No. III, Redevelopment Project Area No. IV, and Redevelopment Project Area No. V.

The 2019 Bonds will be payable from and secured by a pledge of Tax Revenues derived from the Bond Project Areas. Interest on the bonds is payable semi-annually on April 1 and October 1 commencing on April 1, 2020. The bonds carry interest rates ranging from 3.00% to 4.00% on the Series A Bonds and 1.856% to 2.897% on the Series B Bonds. Bond maturities begin October 1, 2020, and continue annually through October 1, 2035, ranging from \$800,000 to \$1,705,000 on Series A Bonds and \$255,000 to \$1,740,000 on Series B Bonds.

The Agency refunded the prior bonds of the Former Redevelopment Agency to decrease total debt service payments by approximately \$11.7 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,522,479.

City of Montclair
Notes to Financial Statements
June 30, 2020

6) LONG-TERM DEBT – Continued

The future debt service requirements are as follows:

2019 A Tax Allocation Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,325,000	\$ 740,725	\$ 2,065,725
2022	1,070,000	704,800	1,774,800
2023	1,105,000	672,175	1,777,175
2024	1,140,000	632,800	1,772,800
2025	1,195,000	586,100	1,781,100
2026 - 2030	7,220,000	2,140,800	9,360,800
2031 - 2035	6,035,000	720,700	6,755,700
2036	800,000	16,000	816,000
Totals	\$ 19,890,000	\$ 6,214,100	\$ 26,104,100

2019 B Tax Allocation Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 255,000	\$ 360,195	\$ 615,195
2022	285,000	355,112	640,112
2023	445,000	347,975	792,975
2024	450,000	338,829	788,829
2025	675,000	326,679	1,001,679
2026 - 2030	4,005,000	1,356,770	5,361,770
2031 - 2035	6,230,000	534,257	6,764,257
2036	315,000	5,242	320,242
Totals	\$ 12,660,000	\$ 3,625,059	\$ 16,285,059

Dissolution of the former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X126 (the Bill) that provided for the dissolution of all redevelopment agencies in the State of California. The Bill provided that upon dissolution of the City's former Redevelopment Agency, either the City or another unit of local government were to serve as the "Successor Agency" to hold the assets of the dissolved redevelopment agency until they are distributed to other units of state and local government. The City elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California were prohibited from entering into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution, including the completion of any unfinished projects that were subject to legally enforceable contractual commitments.

A Redevelopment Property Tax Trust Fund (RPTTF) has been established, in accordance with State law, to allocate revenue to the Successor Agency in the amount that is necessary to pay the estimated annual payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations have been paid in full and all assets have been liquidated.

City of Montclair
Notes to Financial Statements
June 30, 2020

6) LONG-TERM DEBT – Continued

The former Redevelopment Agency pledged, as security for bonds it issued, a portion of the tax increment revenue that it would have received. The Successor Agency currently receives distributions from the RPTTF, as described above, to pay the debt service on the outstanding bonds. The Successor Agency appropriates each year, from these resources, amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$42,389,159 with debt service requirements as indicated above.

Below is a summarization, by project area, which shows the gross amount of property taxes, and county and tax entity payments made for the fiscal year:

Items	Project Area I	Project Area II	Project Area III	Project Area IV	Project Area V	Mission Blvd Project Area	Total
City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency							
<u>Allocations to Redevelopment Obligation</u>							
<u>Retirement Fund (RORF)</u>							
Tax Increment Collections	\$ 287,791	\$ -	\$6,393,982	\$3,005,687	\$6,967,531	\$1,916,211	\$18,571,202
County Administration Charges	(1,506)	-	(33,197)	(15,646)	(36,116)	(6,285)	(92,750)
Payments to Taxing Entities	(253,614)	-	(4,419,842)	(2,597,620)	(5,379,208)	(1,890,893)	(14,541,177)
Net Tax Increment Available for Debt Service	<u>\$ 32,671</u>	<u>\$ -</u>	<u>\$1,940,943</u>	<u>\$ 392,421</u>	<u>\$1,552,207</u>	<u>\$ 19,033</u>	<u>\$ 3,937,275</u>

7) PENSIONS PLANS

General Information about the Pension Plans

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

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

City of Montclair
Notes to Financial Statements
June 30, 2020

7) PENSIONS PLANS – Continued

	Miscellaneous		
	Prior to June 21, 2010	On or after June 21, 2010	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60	2% @ 60	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	10.917% + \$1,958,250	10.917% + \$16,553	10.917% + \$9,215

	Safety - Police		
	Prior to June 27, 2005	On or after June 27, 2005	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	21.927% + \$1,484,257	20,073% + \$43,118	13.034% + \$5,121

	Safety - Fire		
	Prior to June 27, 2005	On or after June 27, 2005	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	23.654% + \$1,334,938	21.748% + \$20,007	13.786% + \$786

(1) - Depending on years of service

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$4,872,245 in fiscal year 2020.

City of Montclair
Notes to Financial Statements
June 30, 2020

7) PENSIONS PLANS – Continued

The City's contributions to the Plan for the year ended June 30, 2020 were \$6,528,038.

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

As of June 30, 2020, the City reported a liability of \$73,168,182 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the Plan's net pension liability as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.71058%
Proportion - June 30, 2019	0.71404%
Change - Increase (Decrease)	0.00346%

For the year ended June 30, 2020, the City recognized pension expense of \$11,963,787. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,528,038	\$ -
Differences between actual and expected experience	4,740,571	-
Changes in assumptions	2,347,319	-
Change in employer's proportion	133,524	117,035
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,816,955
Net differences between projected and actual earnings on plan investments	-	1,118,681
Total	<u>\$ 13,749,452</u>	<u>\$ 3,052,671</u>

\$6,528,038 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2021	\$ 4,363,739
2022	(941,636)
2023	525,033
2024	221,607
2025	-
Thereafter	-

City of Montclair
Notes to Financial Statements
June 30, 2020

7) PENSIONS PLANS – Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

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

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

City of Montclair
Notes to Financial Statements
June 30, 2020

7) PENSIONS PLANS – Continued

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1–percentage point lower or 1–percentage point higher than the current rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$ 104,869,954	\$ 73,168,182	\$ 47,107,235

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2020, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

Plan Description – The City’s defined benefit OPEB plan, (the Plan), provides OPEB for all eligible miscellaneous and public safety employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City. The benefit terms are defined in the applicable Memorandum’s of Understanding for each bargaining unit and may be amended by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – Substantially all of the City’s employees may become eligible for those benefits if they retire after 15 years of continuous service to the City under a normal service retirement. Those and similar benefits for active employees are provided through several insurance companies whose premiums are based on the benefits paid during the year. Benefits are provided as shown below:

City of Montclair
Notes to Financial Statements
June 30, 2020

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

	SBPEA	Management(1)	Police	Fire
Eligibility	- Retire directly from City under CalPERS (age 50 and 5 years of service or disability) (2)			
Age 50 and 15 Years Service (3)	- Lesser of: \$200/mo. If retired < 7/1/13 \$230/mo. If retired > 7/1/13 Act Single Cap	- Lesser of: \$551/mo. Act Single Cap	- Lesser of: \$200/mo. If retired < \$230/mo. If retired > Act Single Cap	- n/a
Age 50 and 25 Years Service	- Lesser of: \$532.16/mo. Act Single Cap	- Lesser of: (4) \$551/mo. Act Single Cap or 2-party Cap Dental & Vision if Single Medical	- Lesser of: \$532.16/mo. Act Single Cap	- Greater of: \$300/mo. \$400/mo. at 30 years Max \$532.16/mo.
Surviving Spouse Benefit	- Surviving spouse can elect medical, dental, and vision coverage at own cost			
Medicare Part A & B	- City Contributes toward Part B premiums subject to caps - City also contributes toward Part A premiums if hired < 4/1/86			
Dental, Vision, & Life	- None other than management at 25 years service			

- 1) 48 consecutive months of City employment in a management position contiguous to retirement date.
- 2) PEPRAs Employees must be age 52 to retire under CalPERS.
- 3) Hired < 7/1/04, retired < 7/1/20. Active single cap currently \$825 for SBPEA and Fire, \$875 for Management, and \$948.75 for Police (generally unchanged since 2008/09).
- 4) Cap can be used towards spouse premium. All other caps can only be used toward retiree premium.

Employees Covered by Benefit Terms – As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	77
Inactives entitled to but not yet receiving benefits	-
Active employees	157
Total	234

Contributions - The contribution requirements of plan members and the City are established and may be amended by the City Council, and/or the employee associations. Currently, contributions are not required from plan members. The City is currently funding this OPEB liability on a pay-as-you-go basis. This obligation is typically liquidated from the General Fund and responsible Enterprise Funds.

Total OPEB Liability - The City's Total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

City of Montclair
Notes to Financial Statements
June 30, 2020

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Actuarial Cost
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2017 CalPERS 1997-2015 Experience Study
Age at Retirement	50 (52 for PEPRA)
Health Care Trend Rate	7.50% initial, 4.00% ultimate - Non-Medicare 6.50% initial, 4.00% ultimate - Medicare
Inflation Rate	2.75%
Salary Changes	3.00%
Discount Rate	3.50% - Bond Buyer 20-year Bond index as of 6/30/19 3.87% - Bond Buyer 20-year Bond index as of 6/30/18 3.58% - Bond Buyer 20-year Bond Index as of 6/30/17

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2019 (June 30, 2018 measurement date)	\$ 11,611,958
Changes in the year:	
Service cost	269,472
Interest on the total OPEB liability	449,101
Assumption Changes	463,716
Employer Contributions	-
Employee Contributions	-
Benefit payments, including refunds	(553,563)
Net changes	628,726
Balance at June 30, 2020 (June 30, 2019 measurement date)	\$ 12,240,684

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability (asset)	\$ 13,645,696	\$ 12,240,684	\$ 11,047,924

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 11,632,054	\$ 12,240,684	\$ 12,890,519

City of Montclair
Notes to Financial Statements
June 30, 2020

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the City recognized OPEB expense of \$583,990. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 571,193	\$ -
Changes of Assumptions	394,505	808,246
Net differences between projected and actual earnings on plan investments	-	-
Total	\$ 965,698	\$ 808,246

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

Year Ending June 30,	\$
2021	(134,583)
2022	(134,583)
2023	(134,583)
2024	(89,708)
2025	31,266
Thereafter	48,450

The \$571,193 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2021.

9) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims up to \$500,000 for each occurrence and for general liability claims up to \$200,000. Excess liability coverage above the self-insurance amounts is provided through the California Insurance Pool Authority (CIPA). CIPA, a public entity risk pool was established to pool resources, share risk, purchase excess insurance and share costs for professional risk management, and claims administration. Workers' Compensation and Employers Liability Pool Contract is limited per accident at \$3,000,000 in excess of the City's self-insurance retention stated above. Portions of general liability exceeding the above-mentioned amounts are covered by CIPA up to a maximum \$40,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and American Merchants Casualty Insurance Company (up to \$15,000,000), and by Arch Specialty Insurance Company (up to \$15,000,000), in that order. Member cities make payments to CIPA based on underwriting estimates. Additional coverage for general liability claims is maintained through CIPA from a commercial insurer for claims in excess of per claim and annual aggregate amounts. Complete financial statements for CIPA may be obtained from their offices at the following address: CIPA, 240 Newport Center Drive, Suite 210, Newport Beach, CA 92660.

As of June 30, 2020, third party claims administrators estimated \$1,910,458 in necessary liability reserves for both general liability and workers' compensation claims. The City has not experienced a significant reduction in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

City of Montclair
Notes to Financial Statements
June 30, 2020

9) SELF-INSURANCE PROGRAM - Continued

While the ultimate losses incurred through June 30, 2020 are dependent on future developments, based upon information from the City Attorney, outside counsel, service agents and others involved with the administration of the programs, City management believes that the estimated aggregate amount is adequate to cover such losses. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims liabilities at June 30, 2020 represent the City's best estimate, based on available information, as follows.

Fiscal Year	Beginning of Year Liability	Current Year Claims	Claim Payments	End of Year Liability
2019-20	\$ 2,049,706	\$ 223,156	\$ 362,404	\$ 1,910,458
2018-19	2,675,157	22,135	647,586	2,049,706

10) FUND BALANCES

The details of the fund balances as of June 30, 2020 are presented below:

	General Fund	2014 Refunding Bonds	Successor Agency Bonds	Infrastructure	PUC Reimbursement	Economic Development	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepays	\$ 121,741	-	-	-	-	-	932	\$ 122,673
Restricted for:								
Housing	-	-	-	-	-	-	5,319,027	5,319,027
Public Safety	-	-	-	-	-	-	1,334,911	1,334,911
Transportation	-	-	-	-	468,054	-	6,176,133	6,644,187
Comm. Development	-	1,514,155	13,445,864	-	-	-	1,500,190	16,460,209
Committed to:								
Comm. Development	-	-	-	-	-	5,856,159	-	5,856,159
Assigned to:								
Capital Projects	-	-	-	142,955	-	-	-	142,955
Post-employ. Benefits	2,700,000	-	-	-	-	-	-	2,700,000
Retiree Medical Liab.	900,000	-	-	-	-	-	-	900,000
Technology	320,751	-	-	-	-	-	-	320,751
Self Insurance	850,000	-	-	-	-	-	-	850,000
Equip. Replacement	1,362,346	-	-	-	-	-	-	1,362,346
Unanticipated Pers.	700,000	-	-	-	-	-	-	700,000
Building Maintenance	600,000	-	-	-	-	-	-	600,000
Contingencies	200,000	-	-	-	-	-	-	200,000
Unassigned	4,795,696	-	-	-	-	-	(13,550)	4,782,146
Total Fund Balance	\$ 12,550,534	\$ 1,514,155	\$ 13,445,864	\$ 142,955	\$ 468,054	\$ 5,856,159	\$ 14,317,643	\$ 48,295,364

11) COMMITMENTS AND CONTINGENCIES

The City participates in several federal and state programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time.

The estimated amount of remaining construction obligations at year-end is \$7,277,082.

REQUIRED SUPPLEMENTARY INFORMATION

City of Montclair
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,402,275	\$ 14,402,275	\$ 14,402,275	\$ -
Resources (Inflows):				
Taxes	24,455,000	24,660,000	26,324,290	1,664,290
Licenses and Permits	628,536	643,525	480,046	(163,479)
Intergovernmental	153,200	175,000	219,115	44,115
Charges for Services	4,001,000	4,142,400	4,146,350	3,950
Use of Money and Property	317,000	334,000	626,164	292,164
Fines and Forfeitures	570,400	485,200	306,953	(178,247)
Miscellaneous	296,410	201,460	301,152	99,692
Transfers In	100,000	100,000	151,494	51,494
Amounts Available for Appropriation	<u>44,923,821</u>	<u>45,143,860</u>	<u>46,957,839</u>	<u>1,813,979</u>
Charges to Appropriation (Outflow):				
General Government				
City Council	365,874	454,449	383,693	70,756
City Manager	265,630	560,446	501,990	58,456
Administration	225,794	225,794	220,700	5,094
Financial Services	629,762	629,762	584,521	45,241
Solid Waste Disposal	2,489,637	2,489,637	2,870,744	(381,107)
City Clerk	237,163	237,163	230,046	7,117
Personnel/Risk Assessment	370,638	370,638	378,602	(7,964)
Information Technology Services	800,347	918,569	947,244	(28,675)
Central Services	352,642	352,642	363,489	(10,847)
City Attorney	321,114	321,114	362,214	(41,100)
Non-Departmental	3,702,728	3,702,728	3,665,062	37,666
Public Safety				
Police Administration	238,162	235,423	245,393	(9,970)
Police Support Services	678,996	654,106	672,380	(18,274)
Technical Services	368,376	350,896	322,584	28,312
Records Bureau	606,535	606,375	627,705	(21,330)
Investigations	972,508	1,023,563	1,029,717	(6,154)
Uniform Patrol	6,826,475	6,655,969	6,597,932	58,037
Communications	665,828	726,513	659,027	67,486
Volunteer Services	64,686	63,121	64,979	(1,858)
Fire Administration	503,594	503,594	481,973	21,621
Fire Prevention	116,976	116,976	147,857	(30,881)
Emergency Services	4,338,456	4,581,456	4,506,232	75,224
Personnel Development	19,000	19,000	9,797	9,203
Buildings and Grounds	6,800	6,800	6,310	490
Emergency Preparedness	69,014	68,934	69,899	(965)
Code Enforcement	425,399	427,899	445,892	(17,993)

City of Montclair
Budgetary Comparison Schedule by Department - Continued
General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriation (Outflow): - Continued				
Community Development				
Planning Commission	\$ 11,150	\$ 11,150	\$ 8,377	\$ 2,773
Community Development Administration	114,732	114,732	118,222	(3,490)
Current Planning	178,691	178,691	183,532	(4,841)
Advance Planning	101,451	101,451	106,850	(5,399)
Field Inspection	139,764	139,764	137,202	2,562
Plan Check	104,227	104,227	84,471	19,756
Building Operations	142,685	142,685	150,247	(7,562)
Recreation	1,037,680	1,130,158	951,357	178,801
Clinic	137,414	148,085	52,248	95,837
Senior Citizens	114,360	114,360	73,060	41,300
Nutritional Meals	51,411	51,411	38,775	12,636
Family and Health Education	53,421	53,421	50,867	2,554
Public Works				
Management and Construction	353,570	353,570	440,685	(87,115)
Public Works Inspection	91,925	91,925	58,159	33,766
Traffic Safety Engineering	66,151	66,151	108,696	(42,545)
Graffiti Abatement	90,968	90,968	67,429	23,539
Street Maintenance	592,582	589,844	532,246	57,598
Signing/Painting	23,798	23,798	17,788	6,010
Street Sweeping	21,349	21,349	24,323	(2,974)
Parks Maintenance	466,050	466,050	404,641	61,409
Tree Maintenance	30,265	30,265	33,530	(3,265)
Vehicle Maintenance	388,111	388,111	407,861	(19,750)
Building Maintenance Services	370,676	371,627	324,000	47,627
Heating and Air Conditioning	124,263	137,714	150,976	(13,262)
Janitorial Services	317,828	319,828	328,549	(8,721)
Capital Outlay	34,200	436,350	415,820	20,530
Transfers Out	-	-	2,715,035	(2,715,035)
	<u>30,820,856</u>	<u>31,981,252</u>	<u>34,380,928</u>	<u>(2,399,676)</u>
Budgetary Fund Balance, June 30	<u>\$ 14,102,965</u>	<u>\$ 13,162,608</u>	<u>\$ 12,576,911</u>	<u>\$ (585,697)</u>

City of Montclair
Notes to Required Supplementary Information
June 30, 2020

General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapse. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The following funds did not have an adopted budget:

Montclair Housing Authority
State Asset Forfeiture
Federal Asset Forfeiture Fund - Treasury
OCJP Grant Fund
Office of Traffic Safety Grant

City of Montclair
Required Supplementary Information
June 30, 2020

CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*

	Measurement Period		
	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 269,472	\$ 279,017	\$ 318,968
Interest on total OPEB liability	449,101	423,080	363,789
Changes in assumptions	463,716	(363,175)	(1,002,248)
Changes in benefits	-	-	-
Benefit payments, including refunds	(553,563)	(531,634)	(642,745)
Net change in total OPEB liability	628,726	(192,712)	(962,236)
Total OPEB liability - beginning	11,611,958	11,804,670	12,766,906
Total OPEB liability - ending (a)	<u>\$ 12,240,684</u>	<u>\$ 11,611,958</u>	<u>\$ 11,804,670</u>
Covered - employee payroll	\$ 12,201,903	\$ 11,361,672	\$ 11,850,580
Total OPEB liability as a percentage of covered-employee payroll	100.32%	102.20%	99.61%

*Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

Benefit Changes: None

Changes in Assumptions: None

City of Montclair
Required Supplementary Information
June 30, 2020

Schedule of Changes in the Net Pension Liability
And Related Ratios – Last 10 Years*
Agent Multiple-employer Plan

	Measurement Period			
	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 1,116,309	\$ 1,034,296	\$ 1,051,926	\$ 1,111,086
Interest on total pension liability	5,776,058	5,661,587	5,487,626	5,293,536
Differences between expected and actual experience	(422,026)	(408,943)	(299,514)	-
Changes in assumptions	4,515,966	-	(1,247,901)	-
Changes in benefits	-	-	-	-
Benefit payments, including refunds	(4,197,477)	(3,911,463)	(3,784,153)	(3,564,687)
Net change in total pension liability	6,788,830	2,375,477	1,207,984	2,839,935
Total pension liability - beginning	78,230,670	75,855,193	74,647,209	71,807,274
Total pension liability - ending (a)	<u>\$ 85,019,500</u>	<u>\$ 78,230,670</u>	<u>\$ 75,855,193</u>	<u>\$ 74,647,209</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,693,037	\$ 1,526,904	\$ 1,316,337	\$ 1,139,453
Contributions - employee	511,740	615,134	560,336	471,260
Net investment income	5,990,392	263,579	1,262,238	8,533,869
Benefit payments	(4,197,477)	(3,911,463)	(3,784,153)	(3,564,687)
Administrative Expense	(79,948)	(33,940)	(62,571)	-
Net change in plan fiduciary net position	3,917,744	(1,539,786)	(707,813)	6,579,895
Plan fiduciary net position - beginning	54,149,399	55,689,185	56,396,998	49,817,103
Plan fiduciary net position - ending (b)	<u>\$ 58,067,143</u>	<u>\$ 54,149,399</u>	<u>\$ 55,689,185</u>	<u>\$ 56,396,998</u>
Net pension liability - ending (a) - (b)	<u>\$ 26,952,357</u>	<u>\$ 24,081,271</u>	<u>\$ 20,166,008</u>	<u>\$ 18,250,211</u>
Plan fiduciary net position as a percentage of the total pension liability	68.30%	69.22%	73.42%	75.55%
Covered payroll	\$ 6,106,387	\$ 6,138,986	\$ 6,056,685	\$ 5,950,546
Net pension liability as percentage of covered payroll	441.38%	392.27%	332.95%	306.70%

*Fiscal Year 2015 was the first year of implementation; therefore, only four years are reported. In addition, the plan was converted to the cost-sharing pool for the measurement period ended June 30, 2018.

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.165 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 discount rate. In 2018, the Agent multiple-employer miscellaneous pension plan was converted to the cost-sharing pool with CalPERS.

City of Montclair
Required Supplementary Information
June 30, 2020

Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 1,898,964	\$ (1,898,964)	\$ -	\$ 6,106,387	31.10%
2017	1,693,037	(1,693,037)	-	6,138,986	27.58%
2016	1,526,904	(1,526,904)	-	6,056,685	25.21%
2015	1,164,198	(1,164,198)	-	5,950,546	19.56%

*Fiscal year 2015 was the first year of implementation, therefore, only four years are reported. In addition, the plan was converted to the cost-sharing pool for the measurement period ended June 30, 2018.

Valuation Date: 6/30/13, 6/30/14, 6/30/15, and 6/30/16

City of Montclair
Required Supplementary Information
June 30, 2020

**Schedule of the City's Proportionate Share
of the Net Pension Liability – Last 10 Years***
Cost-sharing Plan

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2019	0.71404%	\$ 73,168,182	\$ 11,799,285	620.11%	68.61%
2018	0.71058%	68,473,398	12,111,468	565.36%	69.53%
2017	0.40340%	40,005,736	5,742,193	696.70%	69.71%
2016	0.40861%	35,357,128	5,706,922	619.55%	70.87%
2015	0.41915%	28,770,251	5,523,210	520.90%	75.56%
2014	0.40976%	25,497,439	5,309,711	480.20%	78.20%

*Fiscal year 2015 was the first year of implementation; therefore, ten years of information are not yet available.

Notes to Schedule of the City's Proportionate Share of the Net Pension Liability:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2018, the City's miscellaneous Agent multiple-employer plan was converted to the risk pools and is now included as part of the risk pool reporting. In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 discount rate.

City of Montclair
Required Supplementary Information
June 30, 2020

Schedule of Pension Contributions – Last 10 Years*
Cost-sharing Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 6,528,038	\$ (6,528,038)	\$ -	\$ 12,337,506	52.91%
2019	5,540,282	(5,540,282)	-	11,799,285	46.95%
2018	2,870,221	(2,870,221)	-	6,005,081	47.80%
2017	2,687,316	(2,687,316)	-	5,742,193	46.80%
2016	2,418,705	(2,418,705)	-	5,706,922	42.38%
2015	1,960,293	(1,960,293)	-	5,523,210	35.49%

*Fiscal year 2015 was the first year of implementation; therefore, ten years of information are not yet available.

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16 and 6/30/17

SUPPLEMENTARY INFORMATION

City of Montclair
Combining Balance Sheet
Non-major Funds
June 30, 2020

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
ASSETS					
Pooled Cash and Investments	\$ 939,867	\$ 2,654,647	\$ 14,766	\$ 1,800,207	\$ -
Receivables:					
Accounts	31,568	-	2,881	-	10,015
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	104,638	137,434	5,045	-	-
Due from Other Funds	223	542,941	34,819	-	-
	<u>223</u>	<u>542,941</u>	<u>34,819</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,076,296</u>	<u>\$ 3,335,022</u>	<u>\$ 57,511</u>	<u>\$ 1,800,207</u>	<u>\$ 10,015</u>
LIABILITIES					
Accounts Payable	\$ 193,631	\$ -	\$ 43	\$ -	\$ 2,549
Accrued Liabilities	8,195	-	155	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	6,135	-	-
Due to Other Funds	7,895	-	2,881	-	9,011
	<u>7,895</u>	<u>-</u>	<u>2,881</u>	<u>-</u>	<u>9,011</u>
Total Liabilities	<u>209,721</u>	<u>-</u>	<u>9,214</u>	<u>-</u>	<u>11,560</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	866,575	3,335,022	48,297	1,800,207	-
Unassigned	-	-	-	-	(1,545)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,545)</u>
Total Fund Balances (Deficits)	<u>866,575</u>	<u>3,335,022</u>	<u>48,297</u>	<u>1,800,207</u>	<u>(1,545)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,076,296</u>	<u>\$ 3,335,022</u>	<u>\$ 57,511</u>	<u>\$ 1,800,207</u>	<u>\$ 10,015</u>

Special Revenue Funds

Air Quality Improvement	Older American Act	State Asset Forfeiture	Public Safety	Forfeiture DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture Treasury
\$ 152,396	\$ 20,736	\$ 117,141	\$ 195,941	\$ 417,641	\$ 44,977	\$ 87,679
-	54,850	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,382	-	179	24,423	-	32	-
-	-	-	-	-	-	-
<u>\$ 164,778</u>	<u>\$ 75,586</u>	<u>\$ 117,320</u>	<u>\$ 220,364</u>	<u>\$ 417,641</u>	<u>\$ 45,009</u>	<u>\$ 87,679</u>
\$ 4,041	\$ 15,020	\$ -	\$ 29,014	\$ 74,105	\$ -	\$ -
-	5,716	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	54,850	-	-	-	-	-
4,041	75,586	-	29,014	74,105	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
160,737	-	117,320	191,350	343,536	45,009	87,679
-	-	-	-	-	-	-
160,737	-	117,320	191,350	343,536	45,009	87,679
<u>\$ 164,778</u>	<u>\$ 75,586</u>	<u>\$ 117,320</u>	<u>\$ 220,364</u>	<u>\$ 417,641</u>	<u>\$ 45,009</u>	<u>\$ 87,679</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2020

	Special Revenue Funds				
	School District Grant	SSLEF	Justice Assistance Grant	Crime Prevention PC 1202.5	Recycling Block Grant
ASSETS					
Pooled Cash and Investments	\$ -	\$ 290,920	\$ 3,285	\$ 1,978	\$ 75,679
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	-	29	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ -	\$ 290,920	\$ 3,285	\$ 2,007	\$ 75,679
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 3,285	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	3,285	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	290,920	-	2,007	75,679
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	-	290,920	-	2,007	75,679
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 290,920	\$ 3,285	\$ 2,007	\$ 75,679

Special Revenue Funds

After School Program	Safety Department Grants	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant
\$ 28,327	\$ -	\$ 13,512	\$ -	\$ 139,395	\$ 28,248	\$ -
-	179,779	-	4,197	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 28,327</u>	<u>\$ 179,779</u>	<u>\$ 13,512</u>	<u>\$ 4,197</u>	<u>\$ 139,395</u>	<u>\$ 28,248</u>	<u>\$ -</u>
\$ 2,544	\$ 7,022	\$ -	\$ 400	\$ -	\$ -	\$ -
23,968	-	561	980	-	-	-
225	-	-	-	-	-	-
-	-	-	-	-	(1,035)	-
-	184,762	-	-	-	-	-
<u>26,737</u>	<u>191,784</u>	<u>561</u>	<u>1,380</u>	<u>-</u>	<u>(1,035)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,590	-	12,951	2,817	139,395	29,283	-
-	(12,005)	-	-	-	-	-
<u>1,590</u>	<u>(12,005)</u>	<u>12,951</u>	<u>2,817</u>	<u>139,395</u>	<u>29,283</u>	<u>-</u>
<u>\$ 28,327</u>	<u>\$ 179,779</u>	<u>\$ 13,512</u>	<u>\$ 4,197</u>	<u>\$ 139,395</u>	<u>\$ 28,248</u>	<u>\$ -</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2020

	Special Revenue Funds				
	Montclair Housing Corporation	Kaiser Permanente Grant	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation
ASSETS					
Pooled Cash and Investments	\$ 2,192,820	\$ 5,643	\$ 10,878	\$ -	\$ 160,303
Receivables:					
Accounts	52,676	-	-	3,998	-
Notes and Loans	-	-	-	-	-
Accrued Interest	5,722	-	-	-	-
Prepaid Costs	932	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 2,252,150</u>	<u>\$ 5,643</u>	<u>\$ 10,878</u>	<u>\$ 3,998</u>	<u>\$ 160,303</u>
LIABILITIES					
Accounts Payable	\$ 11,455	\$ 123	\$ 159	\$ -	\$ 136
Accrued Liabilities	7,125	-	-	-	-
Deposits Payable	72,870	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>91,450</u>	<u>123</u>	<u>159</u>	<u>-</u>	<u>136</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	932	-	-	-	-
Restricted	2,159,768	5,520	10,719	3,998	160,167
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>2,160,700</u>	<u>5,520</u>	<u>10,719</u>	<u>3,998</u>	<u>160,167</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 2,252,150</u>	<u>\$ 5,643</u>	<u>\$ 10,878</u>	<u>\$ 3,998</u>	<u>\$ 160,303</u>

Special Revenue Funds

ASES Supplemental Grant	Hope Thru Housing Grant	Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG
\$ -	\$ -	\$ 84,734	\$ 130,625	\$ 100,734	\$ 4,471	\$ 15,055
-	-	-	-	842	-	8,519
-	-	-	-	-	2,599,461	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,734</u>	<u>\$ 130,625</u>	<u>\$ 101,576</u>	<u>\$ 2,603,932</u>	<u>\$ 23,574</u>
\$ -	\$ -	\$ 326	\$ 8,491	\$ 8,481	\$ -	\$ -
-	-	-	100	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	7,500	-	-
-	-	326	8,591	15,981	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	84,408	122,034	85,595	2,603,932	23,574
-	-	-	-	-	-	-
-	-	84,408	122,034	85,595	2,603,932	23,574
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,734</u>	<u>\$ 130,625</u>	<u>\$ 101,576</u>	<u>\$ 2,603,932</u>	<u>\$ 23,574</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2020

	Special Revenue Funds		Capital Project Funds		
	Homeless Emergency Aid Program	Healthy Community Strategic Plan	Pavement Impact Fees	Underground In-lieu	General Plan Update
ASSETS					
Pooled Cash and Investments	\$ 41,215	\$ 18,870	\$ 158,901	\$ 148,907	\$ 77,579
Receivables:					
Accounts	42,142	-	-	26,740	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	18,100	-	-
Due from Other Funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 83,357</u>	<u>\$ 18,870</u>	<u>\$ 177,001</u>	<u>\$ 175,647</u>	<u>\$ 77,579</u>
LIABILITIES					
Accounts Payable	\$ 83,357	\$ 735	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>83,357</u>	<u>735</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	18,135	177,001	175,647	77,579
Unassigned	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>-</u>	<u>18,135</u>	<u>177,001</u>	<u>175,647</u>	<u>77,579</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 83,357</u>	<u>\$ 18,870</u>	<u>\$ 177,001</u>	<u>\$ 175,647</u>	<u>\$ 77,579</u>

Capital Project Funds		Debt Service Fund	Non-Major Governmental Total
Housing Fund	Development Impact Fee	2014 Refunding Bonds	
\$ 555,327	\$ 1,067,873	\$ 2,302	\$ 11,803,579
-	-	-	418,207
-	-	-	2,599,461
-	-	-	5,722
-	-	-	932
-	-	21,782	324,044
-	-	-	577,983
<u>\$ 555,327</u>	<u>\$ 1,067,873</u>	<u>\$ 24,084</u>	<u>\$ 15,729,928</u>
\$ -	\$ -	\$ -	\$ 444,917
-	-	-	46,800
-	-	-	73,095
-	-	-	5,100
-	551,390	24,084	842,373
-	551,390	24,084	1,412,285
-	-	-	-
-	-	-	-
-	-	-	932
555,327	516,483	-	14,330,261
-	-	-	(13,550)
<u>555,327</u>	<u>516,483</u>	<u>-</u>	<u>14,317,643</u>
<u>\$ 555,327</u>	<u>\$ 1,067,873</u>	<u>\$ 24,084</u>	<u>\$ 15,729,928</u>

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds
Year Ended June 30, 2020

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
REVENUES					
Taxes	\$ 1,591,444	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	733,675	5,612	-	213,656
Charges for Services	-	-	-	-	-
Use of Money and Property	13,041	39,167	-	-	-
Fines and Forfeitures	-	-	144,460	-	-
Miscellaneous	-	-	-	361,638	-
Total Revenues	1,604,485	772,842	150,072	361,638	213,656
EXPENDITURES					
Current:					
General Government	68,068	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	6,275	-	77,607
Public Works	982,787	-	-	-	-
Capital Outlay	33,291	16,398	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,084,146	16,398	6,275	-	77,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	520,339	756,444	143,797	361,638	136,049
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	487	-	-
Transfers Out	(607,049)	(298,293)	(100,000)	-	(135,952)
Total Other Financing Sources (Uses)	(607,049)	(298,293)	(99,513)	-	(135,952)
Net Change in Fund Balances	(86,710)	458,151	44,284	361,638	97
Fund Balance, Beginning of Year	953,285	2,876,871	4,013	1,438,569	(1,642)
Fund Balance, End of Year	<u>\$ 866,575</u>	<u>\$ 3,335,022</u>	<u>\$ 48,297</u>	<u>\$ 1,800,207</u>	<u>\$ (1,545)</u>

Special Revenue Funds

Air Quality Improvement	Older American Act	State Asset Forfeiture	Public Safety	Forfeiture DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture Treasury
\$ -	\$ -	\$ -	\$ 389,716	\$ -	\$ -	\$ -
50,032	159,952	-	-	-	-	-
-	-	-	-	-	-	-
1,601	-	1,487	-	5,304	572	1,113
-	-	24,010	-	67,339	4,237	45,683
-	38,447	-	-	-	-	-
51,633	198,399	25,497	389,716	72,643	4,809	46,796
-	-	-	-	-	-	-
-	-	-	343,637	21,806	3,329	-
26,782	235,504	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,294	-	77,088	-	30,140
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,782	235,504	5,294	343,637	98,894	3,329	30,140
24,851	(37,105)	20,203	46,079	(26,251)	1,480	16,656
-	37,105	-	-	-	-	-
-	-	-	-	-	-	-
-	37,105	-	-	-	-	-
24,851	-	20,203	46,079	(26,251)	1,480	16,656
135,886	-	97,117	145,271	369,787	43,529	71,023
<u>\$ 160,737</u>	<u>\$ -</u>	<u>\$ 117,320</u>	<u>\$ 191,350</u>	<u>\$ 343,536</u>	<u>\$ 45,009</u>	<u>\$ 87,679</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2020

	Special Revenue Funds				
	School District Grant	SSLEF	Justice Assistance Grant	Crime Prevention PC 1202.5	Recycling Block Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	172,800	156,422	-	-	20,738
Charges for Services	-	-	-	-	-
Use of Money and Property	-	3,694	-	26	961
Fines and Forfeitures	-	-	-	279	-
Miscellaneous	-	-	-	-	-
Total Revenues	172,800	160,116	-	305	21,699
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	172,800	100,000	6,590	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	172,800	100,000	6,590	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	60,116	(6,590)	305	21,699
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	6,590	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	6,590	-	-
Net Change in Fund Balances	-	60,116	-	305	21,699
Fund Balance, Beginning of Year	-	230,804	-	1,702	53,980
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 290,920</u>	<u>\$ -</u>	<u>\$ 2,007</u>	<u>\$ 75,679</u>

Special Revenue Funds

After School Program	Safety Department Grants	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,326,762	204,242	30,000	-	-	-	-
-	-	-	49,345	-	9,004	-
-	-	-	-	1,770	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,326,762</u>	<u>204,242</u>	<u>30,000</u>	<u>49,345</u>	<u>1,770</u>	<u>9,004</u>	<u>-</u>
95,181	-	-	-	-	-	-
-	162,939	-	85,568	-	-	-
1,260,220	-	26,760	-	-	1,017	-
-	-	-	-	16,730	-	-
-	28,446	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,355,401</u>	<u>191,385</u>	<u>26,760</u>	<u>85,568</u>	<u>16,730</u>	<u>1,017</u>	<u>-</u>
<u>(28,639)</u>	<u>12,857</u>	<u>3,240</u>	<u>(36,223)</u>	<u>(14,960)</u>	<u>7,987</u>	<u>-</u>
29,639	-	-	39,040	-	-	-
-	-	-	-	-	-	(40)
<u>29,639</u>	<u>-</u>	<u>-</u>	<u>39,040</u>	<u>-</u>	<u>-</u>	<u>(40)</u>
1,000	12,857	3,240	2,817	(14,960)	7,987	(40)
590	(24,862)	9,711	-	154,355	21,296	40
<u>\$ 1,590</u>	<u>\$ (12,005)</u>	<u>\$ 12,951</u>	<u>\$ 2,817</u>	<u>\$ 139,395</u>	<u>\$ 29,283</u>	<u>\$ -</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2020

	Special Revenue Funds				
	Montclair Housing Corporation	Kaiser Permanente Grant	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	21,500	-
Use of Money and Property	1,011,001	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	10,000	14,200	-	31,337
Total Revenues	1,011,001	10,000	14,200	21,500	31,337
EXPENDITURES					
Current:					
General Government	1,040,463	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	4,480	13,165	17,502	11,328
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,040,463	4,480	13,165	17,502	11,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,462)	5,520	1,035	3,998	20,009
OTHER FINANCING SOURCES (USES)					
Transfers In	160,000	-	-	-	-
Transfers Out	-	-	-	(24,454)	-
Total Other Financing Sources (Uses)	160,000	-	-	(24,454)	-
Net Change in Fund Balances	130,538	5,520	1,035	(20,456)	20,009
Fund Balance, Beginning of Year	2,030,162	-	9,684	24,454	140,158
Fund Balance, End of Year	\$ 2,160,700	\$ 5,520	\$ 10,719	\$ 3,998	\$ 160,167

Special Revenue Funds

ASES Supplemental Grant	Hope Thru Housing Grant	Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG
\$ -	\$ -	\$ -	\$ 140,580	\$ 55,429	\$ -	\$ -
119,847	40,174	-	-	-	441,973	-
-	-	33,743	-	-	-	32,825
-	-	-	1,659	1,279	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>119,847</u>	<u>40,174</u>	<u>33,743</u>	<u>142,239</u>	<u>56,708</u>	<u>441,973</u>	<u>32,825</u>
-	-	-	-	1,875	-	-
-	-	-	52,704	9,782	-	-
92,847	40,174	33,075	-	-	441,974	154,801
-	-	-	42,799	11,861	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>92,847</u>	<u>40,174</u>	<u>33,075</u>	<u>95,503</u>	<u>23,518</u>	<u>441,974</u>	<u>154,801</u>
<u>27,000</u>	<u>-</u>	<u>668</u>	<u>46,736</u>	<u>33,190</u>	<u>(1)</u>	<u>(121,976)</u>
-	-	-	-	-	-	-
(27,000)	-	-	-	-	(160,000)	-
(27,000)	-	-	-	-	(160,000)	-
-	-	668	46,736	33,190	(160,001)	(121,976)
-	-	83,740	75,298	52,405	2,763,933	145,550
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,408</u>	<u>\$ 122,034</u>	<u>\$ 85,595</u>	<u>\$ 2,603,932</u>	<u>\$ 23,574</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2020

	Special Revenue Funds		Capital Project Funds		
	Homeless Emergency Aid Program	Healthy Community Strategic Plan	Pavement Impact Fees	Underground In-lieu	General Plan Update
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	159,142	-	-	-	-
Charges for Services	-	-	77,589	109,460	5,704
Use of Money and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	159,142	-	77,589	109,460	5,704
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	193,455	2,125	-	-	-
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	193,455	2,125	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,313)	(2,125)	77,589	109,460	5,704
OTHER FINANCING SOURCES (USES)					
Transfers In	5,188	-	-	-	-
Transfers Out	-	-	(244,075)	-	-
Total Other Financing Sources (Uses)	5,188	-	(244,075)	-	-
Net Change in Fund Balances	(29,125)	(2,125)	(166,486)	109,460	5,704
Fund Balance, Beginning of Year	29,125	20,260	343,487	66,187	71,875
Fund Balance, End of Year	\$ -	\$ 18,135	\$ 177,001	\$ 175,647	\$ 77,579

Capital Project Funds		Debt Service Fund	
Housing Fund	Development Impact Fee	2014 Refunding Bonds	Non-Major Governmental Total
\$ -	\$ -	\$ -	\$ 2,177,169
-	-	-	3,835,027
-	292,281	-	631,451
-	-	248	1,082,923
-	-	-	286,008
-	-	-	455,622
-	292,281	248	8,468,200
-	-	-	1,205,587
-	-	-	959,155
441,973	-	-	3,081,064
-	-	-	1,054,177
-	-	-	190,657
-	-	850,000	850,000
-	-	1,747,138	1,747,138
441,973	-	2,597,138	9,087,778
(441,973)	292,281	(2,596,890)	(619,578)
-	-	2,596,890	2,874,939
-	(132,012)	-	(1,728,875)
-	(132,012)	2,596,890	1,146,064
(441,973)	160,269	-	526,486
997,300	356,214	-	13,791,157
\$ 555,327	\$ 516,483	\$ -	\$ 14,317,643

City of Montclair
Combining Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2020

<u>Sewer Plant</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Assets:				
Pooled cash and investments	\$ 3,100,362	\$ 1,036,678	\$ 669	\$ 4,136,371
Total Assets	<u>\$ 3,100,362</u>	<u>\$ 1,036,678</u>	<u>\$ 669</u>	<u>\$ 4,136,371</u>
Liabilities				
Accounts Payable	\$ -	\$ 262,578	\$ 669	\$ 261,909
Due to other governments	\$ 3,100,362	\$ 1,036,678	\$ 262,578	\$ 3,874,462
Total Liabilities	<u>\$ 3,100,362</u>	<u>\$ 1,299,256</u>	<u>\$ 263,247</u>	<u>\$ 4,136,371</u>



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of Montclair
Montclair, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Montclair (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 25, 2021.

Internal Control Over Financial Reporting

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

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

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

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Compliance and Other Matters

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

Purpose of this Report

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

Van Lant & Fankhaed, LLP

February, 25 2021



Financial Statements
June 30, 2020

City of Montclair, California
Measure I Fund

Independent Auditor’s Report 1

Financial Statements

 Balance Sheet 4

 Statement of Revenues, Expenditures, and Changes in Fund Balance 5

 Notes to Financial Statements 6

Required Supplementary Information

 Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual12

 Note to Required Supplementary Information13

Other Information

 Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures15

 Maintenance of Effort: Comparison of Base Level Amounts to Annual Expenditures.....16

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and *Measure I Compliance Requirements*.....17



Independent Auditor's Report

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure I Fund of the City of Montclair, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Fund of the City as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020, and the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 12 and 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis for the Measure I Fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial for reporting placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Fund of the City. The program status and maintenance of effort schedules (other information) on pages 15 and 16, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the City's internal control over financial reporting of the Measure I Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance, as it relates to the Measure I Fund.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
March 30, 2021

City of Montclair, California
Measure I Fund
Balance Sheet
June 30, 2020

Assets	
Cash and investments	\$ 2,654,647
Due from the City of Montclair	542,941
Taxes receivable	<u>137,434</u>
Total assets	<u><u>\$ 3,335,022</u></u>
Fund Balance	
Restricted	<u><u>\$ 3,335,022</u></u>

City of Montclair, California
Measure I Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2020

Revenues	
Measure I sales tax	\$ 733,675
Interest income	<u>39,166</u>
Total revenues	<u>772,841</u>
Expenditures	
Capital	
Construction	<u>314,691</u>
Net Change in Fund Balance	458,150
Fund Balance, Beginning of Year	<u>2,876,872</u>
Fund Balance, End of Year	<u><u>\$ 3,335,022</u></u>

Note 1 - General Information

Reporting Entity

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund of the City of Montclair, California (City) only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Measure I

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 4 for a detailed description of the Measure.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the Measure I Fund of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

A. Basis of Accounting

Governmental Fund Financial Statements

Fund Accounting

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

Measurement Focus and Basis of Accounting

The Special Revenue Funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

C. Fund Balance

Fund balance is reported according to the following classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

D. Cash and Investments

Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Fund based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Fund, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

The Measure I Fund's cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Fund's deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Fund's investment in the City Investment Pool is measured based on inputs that are uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

E. Maintenance of Effort

In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority (SBCTA), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort (MOE) base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City's determined MOE base level is \$894,728.

Note 3 - Taxes Receivable

The taxes receivable represent the Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2020.

Note 4 - Measure I Fund

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA was authorized to administer the programs described in the Measure.

Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed “programs” in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas. In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

Note 5 - Due from the City of Montclair

Due from the City of Montclair in the amount of \$542,941 represents amounts borrowed by the City’s Development Impact Fee – Regional Fund. The provided resources to pay the SBCTA Development Impact Fees (DIF) are associated with the City’s Monte Vista Avenue/Union Pacific Grade Separation Project, as required by the SBCTA Nexus Study. The amount will be repaid to the Measure I Fund as DIF are collected.

Note 6 - Agreements

The City has entered into an agreement with SBCTA for the construction of the Monte Vista Avenue/Union Pacific Grade Separation Project. The cooperative agreement was entered into on August 3, 2015 and amended June 6, 2016. The agreement states that the project is identified in the SBCTA Nexus Study and that the project will be carried out in accordance with the policies of the Measure I 2010-2040 Strategic Plan. The agreement specifies responsibilities for both the City and SBCTA. The estimated project cost is \$27,404,902 and the City is responsible for a share of the estimated project costs in the amount not to exceed \$2,435,131 of which \$2,279,277 has been paid through the fiscal year ended June 30, 2020. The agreement also specifies that in the occurrence of any uncured event of default, SBCTA is authorized to withhold Valley Major Street – Arterial Sub-Program Funds or Local Street Program pass-through funds equivalent to the loan amount outstanding at the time of default.



Required Supplementary Information
June 30, 2020

City of Montclair, California
Measure I Fund

City of Montclair, California

Measure I Fund

Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual
Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
Revenues				
Measure I sales tax	\$ 678,400	\$ 678,400	\$ 733,675	\$ 55,275
Interest income	10,000	10,000	39,166	29,166
Total revenues	<u>688,400</u>	<u>688,400</u>	<u>772,841</u>	<u>84,441</u>
Expenditures				
Capital				
Construction	-	2,464,600	314,691	2,149,909
Net Change in Fund Balance	688,400	(1,776,200)	458,150	2,234,350
Fund Balance, Beginning of Year	<u>2,876,872</u>	<u>2,876,872</u>	<u>2,876,872</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,565,272</u>	<u>\$ 1,100,672</u>	<u>\$ 3,335,022</u>	<u>\$ 2,234,350</u>

Note 1 - Budgetary Data

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America.



Other Information
June 30, 2020

City of Montclair, California
Measure I Fund

Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures
 Year Ended June 30, 2020

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 19-3249. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects	5-Year Plan Project Budget	Current Fiscal Year Expenditures	Over/(Under) Estimate
SSARP Local Match	\$ 21,000	\$ 16,398	\$ 4,602
Monte Vista Grade Separation Project Construction	74,620	<u>298,293</u>	(223,673)
		<u>\$ 314,691</u>	
Total expenditures at June 30, 2020			

City of Montclair, California

Measure I Fund

Maintenance of Effort: Comparison of Base Level Amounts to Annual Expenditures

Year Ended June 30, 2020

The maintenance of effort base level amount was determined based upon fiscal year 2008/09 spending levels. Excess/(deficient) amounts are carried forward in accordance with the Measure I Strategic Plan. Actual amounts expended in relation to the base level amount in each year subsequent to the base year are as follows:

Fiscal Year Ending June 30,	General Fund Street and Highway Funds Utilized	Bond Proceeds Utilized for Street Improvements	Base Level Amount	Excess/ (Deficiency)	Cumulative Excess/ (Deficiency)
2010	\$ 602,490	\$ -	\$ (894,728)	\$ (292,238)	\$ (292,238)
2011	610,777	-	(894,728)	(283,951)	(576,189)
2012	326,710	-	(894,728)	(568,018)	(1,144,207)
2013	26,527	-	(894,728)	(868,201)	(2,012,408)
2014	110,894	-	(894,728)	(783,834)	(2,796,242)
2015	180,227	559,529	(894,728)	(154,972)	(2,951,214)
2016	414,274	1,389,341	(894,728)	908,887	(2,042,327)
2017	679,071	3,616,653	(894,728)	3,400,996	1,358,669
2018	693,366	3,802,868	(894,728)	3,601,506	4,960,175
2019	799,066	5,023,153	(894,728)	4,927,491	9,887,666
2020	583,053	6,814,317	(894,728)	6,502,642	16,390,308



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and Measure I Compliance Requirements

To the Board of Directors
San Bernardino County Transportation Authority
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I Fund of the City of Montclair, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2021. Our report included an emphasis of matter stating that the financial statements of the Measure I Fund do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020. In addition, our report included an explanatory paragraph stating that the financial statements do not include management's discussion and analysis.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Fund of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure I as specified in the agreement between the City and San Bernardino County Transportation Authority (SBCTA), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Measure I requirements as specified in the agreement between the City and SBCTA.

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
March 30, 2021